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Tax Parcel Nos.: _____

PRIME LEASE

THIS PRIME LEASE IS EXEMPT FROM RECORDING TAXES UNDER SECTION 58.1-811 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED

This **PRIME LEASE** (as amended, modified, extended, restated or supplemented from time to time, this "Lease") is dated as of November 1, 2015, and is a deed of lease made between the COUNTY OF NELSON, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Local Government"), as lessor, and the VIRGINIA RESOURCES AUTHORITY, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), as lessee.

RECITALS

A. VRA desires to acquire, and the Local Government desires to lease to VRA, a leasehold interest in certain real estate described in Exhibit A (the "Real Estate") and the Improvements (as defined in the hereinafter defined Financing Lease) in order to assist the Local Government with financing the Project (as defined in the Financing Lease).

B. The Local Government is authorized pursuant to Section 15.2-1800 of the Code of Virginia of 1950, as amended (the "Code"), to lease the Real Estate and the Improvements (collectively, as more particularly described in the Financing Lease, the "Leased Property") to VRA.

C. VRA will lease the Leased Property back to the Local Government pursuant to a Local Lease Acquisition Agreement and Financing Lease dated as of September 25, 2015 (as amended, modified, extended, restated or supplemented from time to time, the "Financing Lease"), between the Local Government and VRA.

NOW THEREFORE, parties agree as follows:

1. Lease of Real Estate. The Local Government hereby demises and leases to VRA, and VRA hereby leases from the Local Government, the Leased Property, upon the terms and conditions hereinafter set forth.

2. Definitions. Each capitalized term used herein has the same meaning given to it in the Financing Lease, unless the context requires otherwise.

3. Term. The term of this Lease commences on the dated date of this Lease and ends on October 1, 20__, unless such term is sooner terminated or relinquished as hereinafter provided.

4. Rental. VRA shall pay to the Local Government rent hereunder in the amount of \$5.00. The Local Government hereby acknowledges receipt and sufficiency of the rental payment.

5. VRA's Use of the Leased Property. VRA shall use the Leased Property solely for the purpose of assisting the Local Government with the financing of the Project as well as for such purposes as may be incidental and necessary thereto, as provided in and subject to the terms of the Financing Lease.

6. Owner in Fee of Real Estate. The Local Government hereby represents and warrants that it is the owner in fee simple of the Leased Property.

7. Assignment and Sublease; Encumbrances.

(a) VRA shall not sell, mortgage, pledge, assign or encumber its rights under this Lease or sublet the Leased Property except in accordance with the terms of the Financing Lease.

(b) The Local Government agrees that, as long as any of the Rental Payments under the Financing Lease remain unpaid, except as specifically provided for herein or in the Financing Lease, the union of the interests of the Local Government and VRA shall not result in a merger of this Lease and the fee interest in the Real Estate.

8. Termination. Upon the Local Government's satisfaction of all of the Rental Payments under the Financing Lease, this Lease shall automatically be assigned to the Local Government and shall be terminated through merger of the leasehold interest with the fee simple interest. VRA shall, upon such assignment and termination or upon the expiration of the term hereunder surrender the Real Estate to the Local Government. Any Improvements and any personal property existing upon the Real Estate at the time of termination of this Lease shall remain thereon, and VRA shall have no interest therein, and such Improvements and personal property shall be free of any encumbrance imposed by VRA pursuant to or in connection with this Lease or the Financing Lease at the time of such termination. Upon request by the Local Government, VRA shall execute and deliver to the Local Government an appropriate instrument assigning, transferring and conveying to the Local Government all of VRA's right, title and interest in this Lease, the Leased Property free from any lien or security interest that was granted by VRA, but without other warranties, and shall enter into an appropriate instrument terminating this Lease.

9. Default. The Local Government acknowledges that upon an Event of Default VRA and the Trustee are each entitled to exercise any and all remedies available under the Financing Lease and the Indenture, including possession of any or all of the Leased Property for the remainder of the term of this Lease, subleasing any or all of the Leased Property or selling VRA's interest in the any or all of Leased Property. Notwithstanding the foregoing, if VRA or its assigns or sublessees receive a payment for the sale of its interest or total rental payments from the sublease that are, after payment of related expenses, in excess of all amounts due under the Financing Lease applicable at the time of the occurrence or Event of Default or Event of Non-Appropriation, such excess shall be paid to the Local Government by VRA or its assigns or its sublessee.

The Local Government shall not exclude VRA or the Trustee, or both, from the Leased Property, take possession of the Leased Property (other than pursuant to the Financing Lease) or terminate this Lease prior to the expiration of its term for any reason. VRA's rights hereunder are subject to the limitations imposed by Section 15.2-1800(F) of the Virginia Code.

10. Quiet Enjoyment. Subject to Section 12 hereof, VRA shall have, hold and enjoy peaceably and quietly all of the Leased Property.

11. Further Assurances. The Local Government shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights of VRA under this Lease, or as may be required to carry out the purposes of this Lease. The Local Government shall, to the fullest extent permitted by law, defend, preserve and protect all rights of VRA under this Lease against all claims and demands of all persons.

12. Leaseback to Local Government. Contemporaneously with the execution of this Lease, VRA and the Local Government shall deliver the executed Financing Lease whereby VRA will lease back to the Local Government, and the Local Government will lease from VRA, the Leased Property, in accordance with the terms thereof. Title to the Leased Property shall be deemed to remain in the Local Government at all times, subject to the leasehold interest of VRA.

13. Severability. If any clause, provision or section of this Lease is held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remaining clauses, provisions and sections, and this Lease shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. If any agreement or obligation contained in this Lease is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Local Government or VRA, as the case may be, only to the extent permitted by law.

14. Notices. All notices or other communications given under this Lease shall be delivered in accordance with the Financing Lease.

15. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

16. Successors. This Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

17. Applicable Law. This Lease shall be governed by the applicable laws of the Commonwealth of Virginia.

18. Headings. The headings of the several sections of this Lease are inserted for convenience only and do not comprise a part of this Lease.

19. No Partnership. Nothing in this Lease shall be construed as making any party a partner or joint venturer with any other party.

20. Amendments. This Lease may not be amended except by written instrument signed by the parties hereto.

21. Use of Courthouse. In accordance with Virginia law, the judges of the courts of the Local Government have the right to control a portion of the Real Estate constituting facilities

provided for use as a courthouse, and the terms and provisions of this Prime Lease are subject to such right.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Local Government and VRA are signing this Prime Lease as of the day and year first above written.

COUNTY OF NELSON, VIRGINIA

By: _____
[NAME], [TITLE]

[SEAL]

ATTEST:

By: _____
[NAME], [TITLE]

COMMONWEALTH OF VIRGINIA:

COUNTY OF NELSON:

The foregoing instrument was acknowledged before me in the County of Nelson, Virginia, ____ day of _____ 2015, by _____, as the _____ of the Board of Supervisors of the County of Nelson, Virginia, on behalf thereof.

My commission expires: _____

Registration No.: _____

Notary Public

COMMONWEALTH OF VIRGINIA:

COUNTY OF NELSON:

The foregoing instrument was acknowledged before me in the County of Nelson, Virginia, ____ day of _____ 2015, by _____, as the _____ of the Board of Supervisors of the County of Nelson, Virginia, on behalf thereof.

My commission expires: _____

Registration No.: _____

Notary Public

VIRGINIA RESOURCES AUTHORITY

By: _____
William G. O'Brien, Chairman

[SEAL]

ATTEST:

By: _____
Stephanie L. Hamlett, Executive Director

COMMONWEALTH OF VIRGINIA:

CITY/COUNTY OF _____:

The foregoing instrument was acknowledged before me in the _____ of _____, Virginia, this ____ day of _____ 2015, by William G. O'Brien, as Chairman of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

COMMONWEALTH OF VIRGINIA:

CITY OF RICHMOND:

The foregoing instrument was acknowledged before me in the City of Richmond, Virginia, ____ day of _____ 2015, by Stephanie L. Hamlett, as Executive Director of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

EXHIBIT A
DESCRIPTION OF REAL ESTATE

[to be attached]

Prepared by:
Arthur E. Anderson II
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219

Tax Parcel No. _____

LOCAL LEASE ACQUISITION AGREEMENT AND FINANCING LEASE

between

VIRGINIA RESOURCES AUTHORITY
as Lessor

and

COUNTY OF NELSON, VIRGINIA
as Lessee

Dated as of September 25, 2015

Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds
(Virginia Pooled Financing Program)
Series 2015D

THIS AGREEMENT IS EXEMPT FROM RECORDING TAXES UNDER SECTION
58.1-811 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	DEFINITIONS..... 1
Section 1.1	Definitions..... 1
Section 1.2	Rules of Construction 5
ARTICLE II	REPRESENTATIONS 5
Section 2.1	Representations by VRA..... 5
Section 2.2	Representations by Local Government..... 5
ARTICLE III	ACQUISITION OF FINANCING LEASE AND LEASE OF REAL ESTATE..... 8
Section 3.1	Acquisition of Financing Lease 8
Section 3.2	Issuance Expenses..... 8
Section 3.3	Schedule 1.1 9
Section 3.4	Conditions Precedent 9
Section 3.5	Lease to Local Government and Title to Real Estate 10
Section 3.6	Lease Term..... 11
Section 3.7	Transfer Upon Termination 11
Section 3.8	Disclaimer of Warranty..... 11
Section 3.9	Obligations of the Local Government Unconditional..... 11
Section 3.10	Appropriation of Rental Payments by Local Government 11
Section 3.11	No Assignment..... 12
Section 3.12	Net Lease 12
ARTICLE IV	USE OF LEASE PROCEEDS 12
Section 4.1	Deposit of Lease Proceeds Amount; Investment of Amounts in Local Account..... 12
Section 4.2	Agreement to Accomplish Project 12
Section 4.3	Disbursement of Lease Proceeds and Earnings 13
Section 4.4	No Sufficiency Warranty by VRA; Local Government Required to Complete Project..... 14
ARTICLE V	NON-APPROPRIATION 14
Section 5.1	Non-Appropriation; Termination of Financing Lease 14
Section 5.2	Remedies of VRA..... 15
Section 5.3	Reinstatement..... 15

ARTICLE VI	PAYMENT AND REDEMPTION.....	15
Section 6.1	Payment of Rental Payments and Related Amounts.....	15
Section 6.2	Defeasance and Redemption.....	17
Section 6.3	Payments and Rights Assigned.....	17
Section 6.4	Obligations Absolute and Unconditional.....	18
ARTICLE VII	OPERATION AND USE OF THE LEASED PROPERTY AND THE RELATED FINANCED PROPERTY.....	18
Section 7.1	Maintenance.....	18
Section 7.2	Additions and Modifications.....	18
Section 7.3	Permits	18
Section 7.4	Use	19
Section 7.5	Inspection and Local Government's Books and Records.....	19
Section 7.6	Ownership.....	19
Section 7.7	Sale or Encumbrance	19
Section 7.8	Lawful Charges.....	20
Section 7.9	Construction Contractors	20
Section 7.10	Environmental Responsibilities	20
ARTICLE VIII	INSURANCE, DAMAGE AND DESTRUCTION.....	21
Section 8.1	Insurance	21
Section 8.2	Requirements of Policies	22
Section 8.3	Notice of Damage, Destruction or Condemnation.....	22
Section 8.4	Damage and Destruction.....	22
Section 8.5	Condemnation and Loss of Title.....	23
ARTICLE IX	SPECIAL COVENANTS	23
Section 9.1	Tax Covenants	23
Section 9.2	Maintenance of Existence	23
Section 9.3	Financial Records and Statements	23
Section 9.4	Certification as to No Default and Tax Compliance.....	24
Section 9.5	Further Assurances.....	24
Section 9.6	Assignment by Local Government	24
Section 9.7	Continuing Disclosure	24
Section 9.8	Indebtedness.....	27
Section 9.9	Liability.....	27

Section 9.10	Litigation; Material Change	28
ARTICLE X	DEFAULTS AND REMEDIES	28
Section 10.1	Events of Default	28
Section 10.2	Acceleration	29
Section 10.3	Other Remedies.....	29
Section 10.4	Delay and Waiver	29
Section 10.5	Non-Substitution.....	29
ARTICLE XI	MISCELLANEOUS	30
Section 11.1	State Aid Intercept	30
Section 11.2	Successors and Assigns.....	30
Section 11.3	Amendments	30
Section 11.4	Limitation of Local Government's Liability	30
Section 11.5	Applicable Law	30
Section 11.6	Severability	30
Section 11.7	Notices	30
Section 11.8	Right to Cure Default.....	31
Section 11.9	Term of Agreement.....	31
Section 11.10	Counterparts.....	31
Exhibit A	Description of Real Estate	
Exhibit B	Description of the Project	
Exhibit C	Pending or Threatened Actions, Suits, Proceedings or Investigations	
Exhibit D	Form of Requisition	
Exhibit E	Operating Data	
Exhibit F	Form of Opinion of Counsel to Local Government	
Exhibit G	Form of Certification as to No Default	
Exhibit H	Description of Special Use Arrangements	
Schedule 1.1	Final Terms	

LOCAL LEASE ACQUISITION AGREEMENT AND FINANCING LEASE

This **LOCAL LEASE ACQUISITION AGREEMENT AND FINANCING LEASE** is a deed of lease made as of September 25, 2015, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), as Lessor, and the **COUNTY OF NELSON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Local Government"), as Lessee.

A. VRA intends to issue its Related Series of VRA Bonds, as hereinafter defined, and to use a portion of the proceeds thereof to assist the Local Government in financing the Project, as hereinafter defined.

B. VRA and the Local Government wish to set forth herein certain terms, conditions and provisions related to the purchase of this Agreement, the application of the proceeds hereof, the payment of the sums owed under this Agreement, the use and maintenance of the Related Financed Property, as hereinafter defined, and the lease of the Leased Property, as hereinafter defined by, VRA to the Local Government.

NOW, THEREFORE, VRA and the Local Government agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Each capitalized term contained in this Agreement has the meaning set forth below unless the context requires otherwise:

"2015D Acquisition Fund" has the meaning set forth in the Related Supplemental Series Indenture.

"Act" means the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia of 1950, as amended.

"Agreement" means this Local Lease Acquisition Agreement and Financing Lease dated as of the date first written above, between VRA and the Local Government, as modified, altered, amended or supplemented in accordance with the terms hereof.

"Business Day" means any day on which commercial banking institutions are generally open for business in New York, New York and Richmond, Virginia.

"Closing Date" means November 18, 2015, or such other date as may be determined by VRA.

"Deed of Trust" means the Leasehold Deed of Trust by VRA in favor of the Trustee and the deed of trust trustees named therein dated as of November 1, 2015, as modified, altered, amended or supplemented from time to time.

"Effective Date" means September 25, 2015, which is the deadline for the Local Government to provide an executed copy of this Agreement to VRA.

"Event of Default" has the meaning set forth in Section 10.1.

"Event of Non-Appropriation" has the meaning set forth in Section 5.1.

"Financing Parameters" means the parameters established by the governing body of the Local Government regarding the terms and conditions of this Agreement, which may include a maximum principal amount of Rental Payments, maximum "true" interest cost or targeted savings.

"Fiscal Year" means the twelve-month period beginning July 1 of one year and ending on June 30 of the following year, or if the Local Government has established another twelve-month period as its annual accounting period such other twelve-month period.

"Government Obligations" means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

"Improvements" means the structures and improvements now or hereafter located or situated on the Real Estate, whether or not pursuant to the undertaking of the Project.

"Insurance Consultant" means an independent insurance consultant experienced and of recognized standing in the field of municipal insurance.

"Lease Proceeds Amount" has the meaning set forth in Schedule 1.1 and represents the amount received by the Local Government from the sale of this Agreement to VRA. The Lease Proceeds Amount will be determined by adding to or subtracting from the portion of the par amount of the Related Portion of VRA Bonds the Local Government's share of the net original issue premium or discount on the Related Series of VRA Bonds and by subtracting from the par amount of the Related Portion of VRA Bonds the Local Government's share of VRA's expenses as set forth in Section 3.2 and the Local Government's share of the deposit on the Closing Date to a VRA Reserve.

"Leased Property" means all or any portion of the Real Estate or the Improvements or both, as context may require.

"Leases" means, collectively, this Agreement and the Prime Lease.

"Local Account" means the local account established for this Agreement within the 2015D Acquisition Fund.

"Local Authorization" means the resolution adopted on September 8, 2015, by a majority of the members of the governing body of the Local Government approving (i) the transactions contemplated by and authorizing the execution and delivery of the Local Lease Documents and (ii) the sale of this Agreement subject to the Financing Parameters.

"Local Lease Documents" means the Financing Lease, the Prime Lease and the Local Tax Document.

"Local Representative" means (i) the chair or vice chair of the governing body of the Local Government, (ii) the chief executive officer of the Local Government and (iii) any other official or employee of the Local Government authorized by resolution of the governing body of the Local Government to perform the act or sign the document in question.

"Local Tax Document" means the Nonarbitrage Certificate and Tax Compliance Agreement dated the Closing Date, between the Local Government and VRA, as modified, altered, amended and supplemented.

"Master Indenture" means the Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms.

"Pricing Objective" has the meaning set forth in Section 3.1(b).

"Prime Lease" means the Prime Lease dated as of November 1, 2015, between the Local Government and VRA, as modified, altered, amended and supplemented in accordance with its terms and the terms of this Agreement.

"Proceeds Requested" means \$_____ or such other amount requested in writing by the Local Government and approved by VRA prior to the Sale Date.

"Project" means the project described in Exhibit B.

"Project Budget" means the budget for the Project set forth in Schedule 1.1.

"Project Costs" means the costs of the Project to the extent such costs are included in the definition of "cost" set forth in Section 62.1-199 of the Act, and includes the refunding of obligations of VRA or the Local Government issued to finance or refinance "costs" set forth in Section 62.1-199 of the Act.

"Qualified Self-Insurance Plan" means any plan or program of self-insurance regarding which the Local Government has received an opinion of an Insurance Consultant that the Local Government has established an adequate, actuarially sound program for the funding of reserves for such self-insurance or an insurance pool established in accordance with the Virginia Code.

"Real Estate" means the real estate described in Exhibit A.

"Related Financed Property" means the land, building, equipment and other property, the acquisition, construction, renovation, or equipping of which was financed by this Agreement as part of the Project.

"Related Portion of VRA Bonds" means the portion of the Related Series of VRA Bonds allocable to this Agreement (as determined by VRA), including any bonds issued by VRA to refund such Related Series of VRA Bonds in whole or in part.

"Related Series of VRA Bonds" means the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015D, in the original aggregate principal amount set forth in Schedule 1.1, and, unless the Local Government receives notice to the contrary from VRA, any bonds issued by VRA to refund the Related Series of VRA Bonds in whole or in part.

"Related Supplemental Series Indenture" means the Thirty-Third Supplemental Series Indenture of Trust dated as of November 1, 2015, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms and those of the Master Indenture.

"Rental Payments" means the rental payments due to VRA from the Local Government pursuant to Section 6.1, including, but not limited to, Supplemental Interest.

"Revenue Fund" has the meaning set forth in the Master Indenture.

"Sale Date" means November 4, 2015, or such other date specified in Schedule 1.1.

"Supplemental Interest" has the meaning set forth in Section 6.1.

"Trustee" means U.S. Bank National Association, Richmond, Virginia, as trustee under the Master Indenture and the Related Supplemental Series Indenture, or its successors serving in such capacity.

"Virginia Code" means the Code of Virginia of 1950, as amended.

"Virginia SNAP" means the Commonwealth of Virginia State Non-Arbitrage Program.

"VRA" means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth of Virginia.

"VRA Bonds" means the Related Series of VRA Bonds and any additional bonds issued under the Master Indenture.

"VRA Reserve" means any one or more of the Capital Reserve Fund, the Infrastructure Debt Service Reserve Fund, the Operating Reserve Fund, a CRF Credit Facility or an Infrastructure Revenue DSRF Facility, each as defined in the Master Indenture.

Section 1.2 Rules of Construction. The following rules apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of the Local Government's obligations under this Agreement do not refer to or connote the payment of such obligations as and when they are due.

(c) All references in this Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Agreement unless otherwise indicated.

(d) The headings and table of contents as used in this Agreement are solely for convenience of reference and do not constitute a part of this Agreement and do not affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by VRA. VRA represents to the Local Government as follows:

(a) VRA is a duly created and validly existing public body corporate and political subdivision of the Commonwealth of Virginia vested with the rights and powers conferred upon it under the Act.

(b) VRA has full right, power and authority to (i) issue, sell and deliver the Related Series of VRA Bonds, (ii) direct the Trustee to use a portion of the proceeds of the Related Series of VRA Bonds to purchase this Agreement from the Local Government as contemplated under the Related Supplemental Series Indenture and this Agreement and (iii) carry out and consummate all other transactions contemplated by this Agreement.

(c) VRA has duly authorized, executed and delivered this Agreement, and when executed the Leases will constitute legal, valid and binding obligations of VRA enforceable against VRA in accordance with their respective terms.

Section 2.2 Representations by Local Government. The Local Government represents to VRA as follows:

(a) The Local Government is a duly created and validly existing Virginia "local government" (as defined in Section 62.1-199 of the Act) and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver the Local Lease Documents and all related documents, (ii) execute, sell and deliver this Agreement to VRA, (iii) own and operate the Leased Property and the Related Financed Property, (iv) undertake the Project and (v) carry out and consummate all of the transactions contemplated by the Local Authorization and the Local Lease Documents (including leasing the Leased Property to VRA pursuant to the Prime Lease and leasing the Leased Property from VRA pursuant to this Financing Lease).

(c) The Local Authorization authorized the execution and delivery of this Agreement, and this Agreement is in substantially the same form as presented to the Local Government's governing body at its meeting at which the Local Authorization was adopted.

(d) The Local Government has obtained all governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the Effective Date for the Local Government's (i) adoption of the Local Authorization, (ii) execution and delivery of the Local Lease Documents, (iii) performance of its obligations under the Local Lease Documents, (iv) the undertaking of the Project and (v) the operation and use of the Leased Property and the Related Financed Property. The Local Government knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals not required to be obtained by the Effective Date cannot be obtained as required in the future.

(e) The Local Government has executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(f) When executed and delivered in accordance with the Local Authorization, the Leases will have been executed and delivered by duly authorized officials of the Local Government and will constitute legal, valid and binding obligations of the Local Government enforceable against the Local Government in accordance with their terms.

(g) The execution and delivery of the Local Lease Documents and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of to the best of the Local Government's knowledge (i) any federal or Virginia constitutional or statutory provision, including the Local Government's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

(h) The Local Government is not 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 and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Local Government to the best of the Local Government's knowledge (i) is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Lease Documents and (ii) is not 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 Local Government is a party or by which it is bound or to which any of its assets is subject that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Lease Documents. The Local Government's execution and delivery of the Local Lease Documents and its compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) The Local Government reasonably expects that, unless otherwise permitted by the terms of the Local Lease Documents or approved by VRA, the Local Government will own, operate and control the Leased Property and the Related Financed Property at all times during the term of the Local Lease Documents.

(k) Except as set forth in Exhibit C, there are not pending nor, to the best of the Local Government's knowledge, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or the Local Lease Documents, (iii) in any way contesting or affecting the validity or enforceability of the Local Authorization, the Local Lease Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Leased Property, the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization or the Local Lease Documents or (v) affecting the Project.

(l) The financial statements, applications and other information that the Local Government furnished to VRA in connection with this Agreement fairly and accurately portray the Local Government's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Local Government since the date of the financial statements provided to VRA in connection with this Agreement.

(m) Nothing that would constitute an Event of Default hereunder has occurred and is continuing, and no event or condition exists that with the passage of time or the giving of notice, or both, would constitute an Event of Default hereunder.

ARTICLE III

ACQUISITION OF FINANCING LEASE AND LEASE OF REAL ESTATE

Section 3.1 Acquisition of Financing Lease. (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, VRA shall transfer to the Local Government, solely from the proceeds of the Related Series of VRA Bonds the Lease Proceeds Amount, and the Local Government shall deliver to VRA this Agreement in return. The Local Government acknowledges that the Lease Proceeds Amount (i) is determined by VRA, (ii) is subject to VRA's Pricing Objective and market conditions as described below, (iii) is expected to be substantially equal to the Proceeds Requested and (iv) is subject to the Financing Parameters.

(b) The Local Government acknowledges that VRA has advised the Local Government that its objective is to pay the Local Government a Lease Proceeds Amount for this Agreement that in VRA's judgment reflects the market value of this Agreement ("Pricing Objective"), taking into consideration the Financing Parameters, the purchase price received by VRA for the Related Series of VRA Bonds, the underwriters' discount and other issuance costs of the Related Series of VRA Bonds and other market conditions relating to the sale of the Related Series of VRA Bonds. The Local Government further acknowledges that VRA has advised it that such factors may result in this Agreement having a value other than par and that in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, the Local Government may need to deliver this Agreement with a par amount that is greater or less than the Proceeds Requested. The Local Government shall not deliver a Financing Lease that violates any Financing Parameter. Subject to the preceding sentence, the Local Government agrees to lease the Leased Property for a principal component of Rental Payments that provides to the fullest extent practicable, given VRA's Pricing Objective, a Lease Proceeds Amount at least equal to the Proceeds Requested, all in accordance with the Local Authorization. The Local Government acknowledges that the Lease Proceeds Amount will be less than the Proceeds Requested if any Financing Parameter prevents VRA from generating a Lease Proceeds Amount substantially equal to the Proceeds Requested, based upon VRA's Pricing Objective.

Section 3.2 Issuance Expenses. VRA shall pay, or cause to be paid, from the proceeds of the Related Series of VRA Bonds all expenses incident to the performance of VRA's obligations under and the fulfillment of the conditions imposed by this Agreement in connection with the issuance, sale and delivery of the Related Series of VRA Bonds and the purchase of this Agreement on the Closing Date, including, but not limited to: (i) the cost, if any, of preparing and delivering the Related Series of VRA Bonds; (ii) the cost of preparing, printing and delivering the Preliminary Official Statement and the Official Statement for the Related Series of VRA Bonds and any amendment or supplement thereto; (iii) the fees and expenses of the financial advisor(s) and bond counsel to VRA; and (iv) all other costs and expenses incurred by VRA. The Local Government shall pay all expenses of the Local Government incident to the issuance, sale and delivery of this Agreement, including, but not limited to the fees and disbursements of the financial advisor, counsel and bond counsel to the Local Government from the Lease Proceeds Amount or other funds of the Local Government.

Section 3.3 Schedule 1.1. VRA shall complete Schedule 1.1, which shall set forth, among other things, the principal amount, interest rates, payment schedule and Lease Proceeds Amount with respect to this Agreement and the principal amount of the Related Series of VRA Bonds on or after the Sale Date. VRA shall deliver the completed Schedule 1.1 to the Local Government and shall attach Schedule 1.1 to this Agreement. Upon delivery to the Local Government, the completed Schedule 1.1 shall become a part of this Agreement the same as if it were a part hereof on the Effective Date.

Section 3.4 Conditions Precedent. VRA shall not be required to cause the Trustee to deposit the Lease Proceeds Amount into the Local Account unless:

(a) VRA has received the following, all in form and substance satisfactory to VRA:

(1) Certified copies of the Local Authorization and all other ordinances and resolutions of the Local Government relating to the Local Lease Documents, if any.

(2) A certificate of the appropriate officials of the Local Government dated the Closing Date as to the matters set forth in Section 2.2, including appropriate certifications regarding the Local Lease Documents, and such other matters as VRA may reasonably require.

(3) Evidence that the Local Government has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(4) An opinion of counsel to the Local Government in substantially the form attached as Exhibit F.

(5) An opinion of bond counsel to the Local Government in form and substance reasonably satisfactory to VRA.

(6) Evidence that the Local Government has complied with the insurance provisions set forth in Section 8.1 and Section 8.2.

(7) Original executed counterparts of the Prime Lease and the Local Tax Document.

(8) A Phase I environmental report on the Real Estate or an environmental questionnaire, in form and substance satisfactory to VRA, as applicable.

(9) A certificate of the Local Representative (i) to the effect that the Lease Proceeds Amount and funds available from the other sources specified in the Project Budget will be sufficient to pay all of the estimated Project Costs and (ii) specifying the date the Local Government is expected to complete the Project.

(10) Evidence that the Local Government is in compliance with the construction contract provisions set forth in Section 7.9 with respect to any existing contracts as of the Closing Date.

(11) Such other documentation, certificates and opinions as VRA may reasonably require as set forth in Schedule 1.1.

(b) The initial purchasers of the Related Series of VRA Bonds have paid in full and VRA has accepted the purchase price for the Related Series of VRA Bonds on the Closing Date. It is understood that the sole source of funds to pay the Lease Proceeds Amount is the proceeds of the Related Series of VRA Bonds.

Section 3.5 Lease to Local Government and Title to Real Estate. (a) In order to effectuate the purposes of this Agreement, the Local Government shall make, execute, acknowledge and deliver, or cause to be made, executed, acknowledged and delivered, all contracts, deeds and other agreements in the name of the Local Government and, in general, to do or cause to be done all such other things as may be requisite or proper for the undertaking and completion of the Project, the lease of the Leased Property to VRA pursuant to the Prime Lease and the fulfillment of the obligations of the Local Government under this Agreement.

(b) As of and on the Closing Date, VRA shall lease to the Local Government and the Local Government shall rent from VRA, the Leased Property and the Local Government agrees to pay the Rental Payments set forth in Section 6.1, all on the terms and conditions set forth in this Agreement. From and after the Closing Date, the Local Government shall be entitled to possession of the Leased Property, and the Local Government shall retain possession of the Leased Property as long as there shall not have occurred an Event of Default or an Event of Non-Appropriation.

(c) During the term of this Agreement, title to the Leased Property shall be deemed to be in the Local Government, subject to the rights of VRA under this Agreement. To secure all obligations of the Local Government hereunder, the Local Government hereby grants to VRA a security interest in and to all of the Local Government's right, title and interest in and to all personal property and fixtures constituting a portion of the Leased Property including substitutions and replacements therefor, and all proceeds (cash and otherwise), including the proceeds of insurance. In accordance with Virginia law, the judges of the courts of the Local Government control a portion of the Real Estate and Improvements constituting facilities provided for use as a courthouse and, to the extent required by Section 15.2-1638 and 15.2-1800(F) of the Virginia Code, nothing in this Agreement shall be construed as depriving the judge or judges of the right to control the use of the Local Government's courthouse. The Local Government agrees that with respect to such property VRA shall have all the rights and remedies of a secured party under the Virginia Uniform Commercial Code.

(d) This Agreement is intended as security for VRA and the Trustee. For purposes of laws governing taxation, title to the Leased Property will be deemed to be in the Local Government at all times, subject to VRA's right to possession upon the occurrence of an Event of Default or an Event of Non-Appropriation. The Local Government acknowledges that

on the Closing Date VRA will grant to the Trustee a leasehold interest in the Leased Property pursuant to the Deed of Trust.

Section 3.6 Lease Term. The term of this Lease shall commence on the Closing Date and shall continue until the earlier of (i) October 1, 20__ (provided that all of the Rental Payments specified in Schedule 1.1 have been paid in full) or (ii) the date on which redemption, prepayment or refunding of the Local Government's obligations hereunder is made pursuant to Section 6.2.

Section 3.7 Transfer Upon Termination. After all payments have been made pursuant to Section 6.1 or prepayment has been made pursuant to Section 6.2, the Local Government shall be deemed to have acquired all of VRA's right, title and interest in the Leased Property and the Prime Lease. In such event, and upon request, VRA will execute and deliver to the Local Government an appropriate instrument assigning, transferring and conveying to the Local Government all of VRA's right, title and interest in the Prime Lease and the Real Estate and the Improvements free from any lien, encumbrance or security interest except such as may be created or permitted by the Local Government, but without other warranties, and shall enter into an appropriate instrument terminating this Agreement.

Section 3.8 Disclaimer of Warranty. The Project is being undertaken at the Local Government's request and by the Local Government. VRA MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR FITNESS OF THE PROJECT OR OF THE LEASED PROPERTY FOR THE LOCAL GOVERNMENT'S PURPOSES.

Section 3.9 Obligations of the Local Government Unconditional. Except as otherwise provided in this Agreement, including without limitation Section 3.10, the Local Government's obligation to make all payments pursuant to this Agreement and to observe and perform all other covenants, conditions and agreements under the Leases is absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim the Local Government otherwise might have against VRA, and the Local Government shall not suspend or discontinue any such payments or fail to observe and perform any of its other covenants, conditions and agreements under the Leases.

Section 3.10 Appropriation of Rental Payments by Local Government. The Local Government reasonably believes that sufficient funds can be obtained to make all payments required under the term of this Agreement. While recognizing that it is not empowered to make any binding commitment beyond the current Fiscal Year, the Local Government hereby states that it is its current intention to make sufficient annual appropriations during the term of this Agreement to make such payments. Notwithstanding anything in this Agreement to the contrary, the Local Government's obligations to pay the cost of performing its obligations under this Agreement, including, without limitation, its obligations to make Rental Payments and all other payments required under this Agreement, shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of the Local Government and, subsequently by the Local Government, for such purpose. The Local Government hereby directs the Local Representative and the officer charged with the responsibility for preparing the Local Government's budget to include in the budget for each Fiscal Year during which this

Agreement is in effect a request that the Local Government appropriate in the Fiscal Year the amount of the Rental Payments and all amounts required to be paid under this Agreement during such Fiscal Year.

Section 3.11 No Assignment. Except as permitted herein or contemplated by the Leases, the Local Government shall not assign this Agreement or any interest herein, without the prior written consent of VRA.

Section 3.12 Net Lease. This Agreement is intended to be a net lease to VRA. The Local Government shall comply with and pay or cause to be paid the cost of all repairs, replacements and renewals, the cost of insurance, all utility and other charges and all taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Leased Property. If the Local Government fails to pay or cause to be paid such costs, charges or taxes when due, VRA, after giving the Local Government notice and a reasonable opportunity to cure, shall have the right, but shall not be obligated, to pay the same. If VRA pays any such costs, charges or taxes for which the Local Government is responsible or liable under this Agreement, VRA shall be entitled to be reimbursed promptly therefor by the Local Government in accordance with the provisions of Section 11.8 hereof.

ARTICLE IV

USE OF LEASE PROCEEDS

Section 4.1 Deposit of Lease Proceeds Amount; Investment of Amounts in Local Account. (a) On the Closing Date, VRA shall cause the Trustee to deposit the Lease Proceeds Amount into the Local Account and to apply the Lease Proceeds Amount and the earnings thereon as set forth in the Related Supplemental Series Indenture, this Agreement and the Local Tax Document.

(b) The Local Government acknowledges and consents to the investment of the Lease Proceeds Amount and the earnings thereon, in Virginia SNAP.

Section 4.2 Agreement to Accomplish Project. (a) The Local Government shall cause the Project to be acquired, constructed, expanded, renovated, equipped or financed as described in Exhibit B and in accordance with the Project Budget, this Agreement, the Local Tax Document and the plans, specifications and designs approved by the Local Government. The Local Government shall complete, or cause to be completed, the Project by the date set forth in the certificate delivered under Section 3.4(a)(9). The Local Government shall obtain the approval of all applicable regulatory agencies to all plans, specifications and designs for the Project. The Local Government shall maintain complete and accurate books and records of the Project Costs and permit VRA or the Trustee through their representatives to inspect such books and records at any reasonable time.

(b) Upon completion of the Project, the Local Government shall promptly deliver to VRA and the Trustee a certificate signed by a Local Representative stating (i) that the Project has been completed substantially in accordance with this Article and in substantial

compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion and (iii) that all certificates of occupancy or other material permits then necessary for the use, occupancy and operation of the Related Financed Property have been issued or obtained. Such certificate shall be accompanied by a copy of the final requisition submitted to the Trustee pursuant to Section 4.3, including Schedule 1 thereto.

(c) If upon completion of the Project and payment of all related costs of issuance, there is a balance remaining in the Local Account, the Trustee shall apply any remaining balance at the direction of the Local Government to pay the interest component of the Rental Payments or in such other manner that is permitted under the Act and will not, in the opinion of a nationally-recognized bond counsel delivered to VRA and the Trustee, have an adverse effect on the tax status of the Related Series of VRA Bonds.

Section 4.3 Disbursement of Lease Proceeds and Earnings. Except as provided in Section 4.2(c), the Local Government shall apply the amounts in the Local Account solely and exclusively to the payment or reimbursement of the Local Government for the Project Costs. Not more frequently than once per calendar month, unless otherwise agreed by VRA, the Trustee and the Local Government, the Trustee shall disburse amounts from the Local Account to the Local Government or as directed by the Local Government upon the Trustee's receipt of the following:

(a) A requisition (upon which the Trustee and VRA shall be entitled to rely) signed by a Local Representative and containing all information called for by, and otherwise being in the form of, Exhibit D (including the Schedules thereto).

(b) Receipts, vouchers, statements, bills of sale or other evidence of payment of the related Project Costs.

(c) If any requisition includes an item for payment for labor or to contractors, builders or materialmen:

(1) a certificate, signed by a Local Representative, stating that such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project; and

(2) a certificate, signed by a Local Representative (that may rely on representations of counsel or a title insurance agency reasonably acceptable to VRA), stating that no notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the requisition.

(d) If any requisition includes an item for payment of the cost of acquisition of any lands or easements, rights or interests in or relating to lands, there shall also be attached to such requisition:

(1) a certificate, signed by a Local Representative, stating that such lands, easements, rights or interests are being acquired and are necessary or convenient for the construction of the Project; and

(2) a certificate, signed by a Local Representative (that may rely on representations of counsel or a title insurance agency reasonably acceptable to VRA), stating that upon payment therefor the Local Government will have title in fee simple to, or easements, rights or interests sufficient for the purposes of, the Project over and through the subject lands.

Following VRA's approval of each such requisition and accompanying invoice(s) and certificate(s), which approval will not unreasonably be withheld, the Trustee shall pay the requisition from the Local Account in accordance with the instructions in such requisition.

The Local Government agrees that any amounts disbursed to it or for its account from the Local Account will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.

Section 4.4 No Sufficiency Warranty by VRA; Local Government Required to Complete Project. VRA makes no warranty, either express or implied, that the Lease Proceeds Amount will be sufficient to pay all or any particular portion of the Project Costs. If the Lease Proceeds Amount is not sufficient to pay in full the cost of the Project, the Local Government shall complete the Project at its own expense, subject to appropriation, and shall not be entitled to any reimbursement therefor from VRA or any abatement, diminution or postponement of its payments under this Agreement.

ARTICLE V

NON-APPROPRIATION

Section 5.1 Non-Appropriation; Termination of Financing Lease. If, as a result of the failure of the Local Government to appropriate moneys for such purposes (an "Event of Non-Appropriation"), the Local Government is unable to pay when due the Rental Payments and other payments to be paid under this Agreement, VRA shall have the right to terminate this Agreement upon 30 days' written notice of the exercise of its rights pursuant to this Section, which notice shall specify the effective date for such termination; provided that such termination shall be effective not later than the date through which rent has been paid in accordance with the terms hereof.

Section 5.2 Remedies of VRA. If, as a result of an Event of Non-Appropriation, the Local Government is unable to pay when due the Rental Payments and other payments to be paid under this Agreement, VRA, with or without terminating this Agreement, may exclude the Local Government from possession of any of the Leased Property and may sell its interest in, or lease or sublease any of the Leased Property in the manner provided for by Section 10.2(b) hereof or take any and all actions available to it under Section 62.1-216.1 of the Act; provided, however,

that in connection with any such sale of its interest in any of the Leased Property, or lease or sublease of any of the Leased Property, VRA shall require that such sale agreement, lease or sublease contain a provision providing that such purchaser, lessee or sublessee shall indemnify VRA and the Local Government for any liabilities arising during such party's use of such portion of the Leased Property. In accordance with Virginia law, the judges of the courts of the Local Government control a portion of the Real Estate and Improvements constituting facilities provided for use as a courthouse and, to the extent required by Section 15.2-1638 and 15.2-1800(F) of the Virginia Code, nothing in this Agreement shall be construed as depriving the judge or judges of the right to control the use of the Local Government's courthouse. The Local Government agrees to assist VRA in every reasonable way in reletting or selling VRA's leasehold interest in the Leased Property pursuant to this Article V.

Section 5.3 Reinstatement. Notwithstanding any termination of this Agreement in accordance with the provisions of Section 6.2, unless (i) VRA shall have sold its interest in all or a portion of the Leased Property, or (ii) VRA shall have entered into a firm bilateral agreement providing for the reletting of the Leased Property for a period of at least one year, if all overdue Rental Payments and all other sums payable under this Agreement and the other Leases shall have been paid, this Agreement shall be fully reinstated, and the Local Government shall be restored to the use, occupancy and possession of the Leased Property.

ARTICLE VI

PAYMENT AND REDEMPTION

Section 6.1 Payment of Rental Payments and Related Amounts. (a) Until all amounts payable under this Agreement have been paid in full, the Local Government shall pay, subject to Section 3.10 and Article V, to the Trustee or VRA, as applicable, the following amounts:

(1) to the Trustee, all amounts specified in Schedule 1.1 on such dates as provided in Schedule 1.1. The term "interest," as used in Schedule 1.1, shall include Supplemental Interest, when and if payable;

(2) to the Trustee, on VRA's demand, or to VRA, any amounts payable under the Local Tax Document, including without limitation the costs of any rebate calculation agent;

(3) to VRA, on its demand, a late payment penalty in an amount equal to 5.0% of any Rental Payment, or portion thereof, not paid within 10 days after its due date;

(4) to the Trustee, the Local Government's share (as determined by VRA) of the annual fees and expenses of the Trustee, less the Local Government's share of the net earnings on the Revenue Fund, Infrastructure Revenue Debt Service Fund and Moral Obligation Debt Service Fund established under the Master Indenture (as

determined by VRA), and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them; and

(5) to VRA, to the extent permitted by law and subject to appropriation from legally available funds, the reasonable costs and expenses, including reasonable attorneys' fees, if any, incurred by VRA in connection with (i) an Event of Default, Event of Non-Appropriation or default by the Local Government under this Agreement, (ii) any amendment to or discretionary action that VRA undertakes at the request of the Local Government under this Agreement or any other document related to the Related Series of VRA Bonds or (iii) any claim lawsuit or other challenge to this Agreement or the VRA Bonds that arises, at least in part, out of the Local Government's authorization of the transaction contemplated by this Agreement, and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them.

(b) If any failure of the Local Government to pay all or any portion of any Rental Payment results in a withdrawal from or a drawing on any VRA Reserve, the interest rates applicable to the Rental Payments shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Local Government's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Local Government's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Local Government's obligation to pay Supplemental Interest shall terminate on the date on which the Local Government makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this Agreement. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in this Agreement, VRA shall deliver to the Local Government a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.

(c) The Local Government shall pay the amounts described above and make payments as scheduled under this Agreement, subject to Section 3.10, despite any amount being withdrawn from or drawn on a VRA Reserve pursuant to the Master Indenture.

Section 6.2 Defeasance and Redemption. (a) The Local Government shall not defease or redeem its obligations under this Agreement, except as provided in this Section 6.2.

(b) The Local Government shall satisfy the following conditions prior to the defeasance and redemption of its obligations under this Agreement:

(1) The Local Government shall provide to VRA not less than 60 days' prior written notice of the deposit of the funds described in (2), (3) and (4) below.

(2) The Local Government shall deposit with the Trustee an amount sufficient for VRA to establish an escrow of cash and non-callable, non-prepayable Government Obligations the principal of and interest on which will be sufficient (without reinvestment) to cause the defeasance under Article XII of the Master Indenture of the portion of the Related Portion of VRA Bonds corresponding to the portion of this Agreement to be defeased or prepaid (the "Allocated Portion"). The defeasance of the Allocated Portion may be either to maturity or an earlier redemption date as determined by the Local Government.

(3) The Local Government shall deposit with VRA cash in an amount sufficient, as determined by VRA, to pay for a verification report required for the defeasance of the Allocated Portion under Article XII of the Master Indenture, any costs incurred by VRA in connection with the redemption, refunding and defeasance of the Allocated Portion, all amounts overdue or then due on this Agreement (including, without limitation, any Supplemental Interest) and all amounts overdue, due or to become due under Section 6.1(a) of this Agreement.

(4) The Local Government shall deposit with VRA cash in an amount equal to the present value of interest that would be paid on the principal of the Allocated Portion at a rate equal to 0.125%, payable semiannually, to the maturity dates of the Allocated Portion or, if earlier, the redemption date or dates of the Allocated Portion. Present value shall be determined by using a discount rate equal to the true interest cost of the Related Portion of VRA Bonds.

(c) VRA will determine which Related Portion of VRA Bonds will be designated as the Allocated Portion and the amounts to be deposited under subsection (b)(2) and (3) above using such reasonable allocation and estimation methods as may be selected by VRA, and VRA's determinations shall be conclusive (absent manifest error).

(d) The Local Government acknowledges that no funds in any VRA Reserve will be available to the Local Government for the defeasance or redemption of its obligations under this Agreement.

Section 6.3 Payments and Rights Assigned. The Local Government hereby consents to VRA's assignment to the Trustee of VRA's rights under this Agreement. The Local Government also hereby acknowledges and consents to the reservation by VRA of the right and license to enjoy and enforce VRA's rights under this Agreement so long as no Event of Default (as defined in the Master Indenture) with respect to the Related Series of VRA Bonds has occurred and is continuing. Even though VRA will be the lessor under this Agreement, the Local Government shall pay directly to the Trustee all amounts payable by the Local Government under this Agreement (except for those amounts specifically indicated as payable to

VRA under Section 6.1 or Section 11.8, which the Local Government shall pay directly to VRA).

Section 6.4 Obligations Absolute and Unconditional. Subject to Section 3.10, the obligation of the Local Government to make the payments required by this Agreement shall be absolute and unconditional. The Local Government shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Local Government may have or assert against VRA, the Trustee or any other person.

ARTICLE VII

OPERATION AND USE OF THE LEASED PROPERTY AND THE RELATED FINANCED PROPERTY

Section 7.1 Maintenance. At its own cost and expense the Local Government shall operate the Leased Property and the Related Financed Property in a proper, sound and economical manner in compliance with all legal requirements and shall maintain the Leased Property and the Related Financed Property in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

Section 7.2 Additions and Modifications. At its own expense the Local Government from time to time may make any renewals, replacements, additions, modifications or improvements to the Leased Property or the Related Financed Property, or both that the Local Government deems desirable, provided that any such renewal, replacement, addition, modification or improvement does not (i) materially reduce the value of the Leased Property or the Related Financed Property, or both or (ii) negatively affect the structural or operational integrity of any part of the Leased Property or the Related Financed Property, or both. The Local Government shall ensure that all such renewals, replacements, additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications or improvements shall become part of the Leased Property or the Related Financed Property, as applicable.

Section 7.3 Permits. The Local Government shall, at its sole cost and expense, obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Leased Property and the Related Financed Property. The Local Government shall, upon request, promptly furnish to VRA and the Trustee copies of all such permits, consents and approvals.

Section 7.4 Use. The Local Government shall comply with all lawful requirements of any governmental authority regarding the Leased Property and the Related Financed Property, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational or other

changes to the Leased Property or the Related Financed Property, or both, irrespective of the cost of making the same.

Section 7.5 Inspection and Local Government's Books and Records. The Local Government shall permit VRA, the Trustee and their duly authorized representatives and agents such reasonable rights of access to the Leased Property and the Related Financed Property as may be necessary to determine whether the Local Government is in compliance with the requirements of this Agreement, and the Local Government shall permit such parties, at all reasonable times and upon reasonable prior notice to the Local Government, to examine and copy the Local Government's books and records that relate to the Leased Property and the Related Financed Property.

Section 7.6 Ownership. The Local Government shall not construct, reconstruct or install any part of the Related Financed Property on (i) lands other than those which the Local Government owns or can acquire title to or a perpetual easement over, in either case sufficient for the Local Government's purposes or (ii) lands in which the Local Government has acquired a right or interest less than a fee simple or perpetual easement, unless (1) such part of the Related Financed Property is lawfully located in a public street or highway or (2) the Local Government provides a written opinion of counsel or a report of a Local Representative, either of which in a form reasonably acceptable to VRA, that indicates that the lands and the Local Government's right or interest therein is sufficient for the Local Government's purposes.

Section 7.7 Sale or Encumbrance. No part of the Leased Property and no part of Related Financed Property shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except (i) with the written consent of VRA or (ii) as provided in any one of the following subsections:

(a) The Local Government may grant easements, licenses or permits across, over or under parts of the Leased Property or the Related Financed Property, or both, for streets, roads and utilities as will not adversely affect the use of the Leased Property or the Related Financed Property, or both.

(b) The Local Government may sell or otherwise dispose of property constituting part of the Leased Property or the Related Financed Property, or both, if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function.

(c) The Local Government may sell or otherwise dispose of property constituting part of the Leased Property or the Related Financed Property, or both, with a "book value" (as determined in accordance with generally accepted accounting principles) that, when combined with the aggregate "book value" of all of the other such property sold or otherwise disposed of under this subsection during the Fiscal Year in question, will not cause the aggregate "book value" of all of such property sold or otherwise disposed of under this subsection in such Fiscal Year to exceed \$125,000. The proceeds to be received from any such sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or interest on this Agreement.

Section 7.8 Lawful Charges. The Local Government shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the Leased Property or the Related Financed Property, or both, or the Local Government's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the Leased Property or the Related Financed Property, or both. The Local Government shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the Leased Property or the Related Financed Property, or both, (collectively, the "Mechanics' Charges"). The Local Government, however, after giving VRA 10 days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Local Government may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in VRA's reasonable opinion, such action may impair the lien on the Leased Property or the Related Financed Property, or both, granted by this Agreement, in which event, such Governmental Charges or Mechanics' Charges promptly shall be satisfied or secured by posting with the Trustee or an appropriate court a bond in form and amount satisfactory to VRA. Upon request, the Local Government shall furnish to VRA proof of payment of all Governmental Charges and Mechanics' Charges the Local Government is required to pay under this Agreement.

Section 7.9 Construction Contractors. The Local Government shall cause each general construction contractor employed in the accomplishment of the Project to furnish a performance bond and a payment bond each in an amount equal to 100% of the particular contract price. Such bonds must list the Local Government, VRA and the Trustee as beneficiaries. Neither VRA nor the Trustee shall make any claims or exercise any rights under such bonds unless and until an Event of Default occurs. The Local Government shall cause each contractor to maintain during the construction period covered by the particular construction contract builder's risk insurance, workmen's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms reasonably satisfactory to VRA.

Section 7.10 Environmental Responsibilities. (a) As used in this Agreement, "Environmental Condition" means any adverse condition relating to surface water, ground water, drinking water supply, land, surface and subsurface strata or the ambient air, and includes, without limitation, air, land and water pollutants, noise, vibration, light, and odors, which may result in a claim of liability under the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), or the Resource Conservation and Recovery Act ("RCRA"), or any claim of violation of the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act ("TSCA"), or any claim of liability or of violation under any federal statute hereafter enacted dealing with the protection of the environment or with the health and safety of employees or members of the general public, or under any rule, regulation, permit or plan under any of the foregoing, or under any law, rule or regulation now or hereafter promulgated by the Commonwealth of Virginia, or any political subdivision thereof, relating to such matters (collectively, "Environmental Laws").

(b) VRA shall, at all times during the term of this Agreement, comply with all Environmental Laws applicable to the Leased Property and shall not cause any Environmental Condition on or about the Leased Property.

(c) The Local Government shall, at all times during the term of this Agreement, comply with all Environmental Laws applicable to the Leased Property and shall not, in the use and occupancy of the Improvements, cause any Environmental Condition on or about the Leased Property.

ARTICLE VIII

INSURANCE, DAMAGE AND DESTRUCTION

Section 8.1 Insurance. The Local Government shall maintain or cause to be maintained insurance against the insurable portions of the Leased Property of the type customarily insured against by public bodies operating municipal facilities, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the municipal facilities' insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia). The determination of replacement cost shall be made, in conjunction with representatives of the Local Government, by a recognized appraiser or insurer selected by the Local Government and reasonably acceptable to VRA.

(b) Comprehensive general liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of its use, arising out of the ownership, maintenance, operation or use of municipal facilities.

(c) Unless the Local Government qualifies as a self-insurer under Virginia law, worker's compensation insurance.

Neither VRA nor the Trustee shall have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance or (ii) the application of the proceeds of insurance.

The Local Government shall provide annually to VRA a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in force and effect.

Section 8.2 Requirements of Policies. (a) The Local Government shall maintain all insurance required by Section 8.1 with generally recognized responsible insurance companies selected by the Local Government and reasonably acceptable to VRA. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other

localities of like size and character to the Local Government. If the Local Government does not maintain such insurance with an insurer licensed to do business in Virginia or placed under the requirements of the Virginia Surplus Lines Insurance Law, Chapter 48, Title 38.2, Code of Virginia of 1950, as amended, or any successor statute, the Local Government shall provide evidence reasonably satisfactory to VRA that such insurance is enforceable under Virginia law.

(b) In lieu of obtaining any of the policies of insurance required by Section 8.1, the Local Government may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal insurance programs, to take advantage of state or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the Local Government and that provide comparable coverages required by such sections. In addition, any insurance coverage pursuant to this Article may be pursuant to a program whereby the Local Government self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Article.

(c) The Local Government shall not participate in any self-insurance plan or alternative risk management program with respect to the Improvements unless such self-insurance plan or alternative risk management program is a Qualified Self-Insurance Plan.

(d) In the event the Local Government is insured through a self-insurance program other than a pool, the Local Government agrees to (i) comply with such program unless a change therein is recommended by the Insurance Consultant, (ii) cause the Insurance Consultant to review any Qualified Self-Insurance Plan at least annually and to make written recommendations as to what funding levels are adequate to protect against the risks covered by the plan and (iii) follow the recommendations of such Insurance Consultant.

Section 8.3 Notice of Damage, Destruction or Condemnation. In case of (i) any damage to or destruction of any material part of the Leased Property, (ii) a taking of all or any part of the Leased Property or any right in it under the exercise of the power of eminent domain, (iii) any loss of the Leased Property because of failure of title or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Local Government shall notify VRA in writing within ten Business Days of the occurrence describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 8.4 Damage and Destruction. If all or any part of the Leased Property is destroyed or damaged by fire or other casualty, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding obligations under this Agreement pursuant to Section 6.2, the Local Government shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Local Government may determine and which will not impair the capacity or character of the Leased Property for the purposes for which it then is being used or is intended to be used. The Local Government may apply so much as may be necessary

of the net proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

Section 8.5 Condemnation and Loss of Title. If title to or the temporary use of all or any part of the Leased Property shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Local Government shall not have exercised its option, if such option is available, to redeem its obligations under this Agreement pursuant to Section 6.2, the Local Government shall cause the net proceeds from any such condemnation award or from title insurance to be applied to the restoration of the Leased Property to substantially its condition before the exercise of such power of eminent domain or failure of title. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

ARTICLE IX

SPECIAL COVENANTS

Section 9.1 Tax Covenants. The Local Government shall not directly or indirectly use or permit the use of any of the proceeds of this Agreement or any other of its funds, in such manner as would, or enter into, or allow any other person or entity to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause interest on any of the Related Series of VRA Bonds to be includable in gross income for federal income tax purposes or to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Insofar as the Local Tax Document imposes duties and responsibilities on the Local Government, including the payment of any arbitrage rebate in respect of the Related Series of VRA Bonds, as of the Closing Date they are specifically incorporated by reference into this Agreement. The Local Government also consents to the calculation of any "rebate amount" to be paid with respect to the Related Portion of VRA Bonds by a rebate calculation service selected by VRA.

Section 9.2 Maintenance of Existence. The Local Government shall maintain its existence as a political subdivision of the Commonwealth of Virginia under Virginia law, and shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity without VRA's prior written consent, which consent will not be unreasonably withheld.

Section 9.3 Financial Records and Statements. The Local Government shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. The Local Government shall have an annual audit of the financial condition of the Local Government made by an independent certified public accountant, within 180 days after the end of each Fiscal Year. The Local Government shall furnish to VRA, in an electronic format, a copy of such report immediately after it is accepted by the Local Government. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the

Local Government's financial position as of the end of such Fiscal Year and the results of the Local Government's operations and changes in the financial position thereof for the Fiscal Year.

Section 9.4 Certification as to No Default and Tax Compliance. The Local Government shall deliver to VRA, within 180 days after the close of each Fiscal Year, a certification in substantially the form attached as Exhibit G and signed by a Local Representative.

Section 9.5 Further Assurances. The Local Government shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights and collateral, if any, assigned or pledged by this Agreement, or as may be required to carry out the purposes of this Agreement. The Local Government shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledges made under this Agreement and all rights of VRA under this Agreement against all claims and demands of all persons, including without limitation the payment of certain costs of VRA as described in Section 6.1(a)(5).

Section 9.6 Assignment by Local Government. The Local Government shall not assign its rights and obligations under this Agreement, or both, without the prior written consent of VRA.

Section 9.7 Continuing Disclosure. (a) For purposes of this Section 9.7, the following terms and phrases have the following meanings:

"Annual Financial Information" with respect to any Fiscal Year for the Local Government means the following:

(i) the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Local Government after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit E.

"Dissemination Agent" means any person, reasonably acceptable to VRA, whom the Local Government contracts in writing to perform its obligations as provided in subsection (j) of this Section.

"Make Public" or **"Made Public"** has the meaning set forth in subsection (c) of this Section.

"Material Local Government" means the Local Government if the aggregate outstanding principal amount of this Agreement and any other of the Local Government's financing leases purchased with proceeds of the VRA Bonds represent 15% or more of the outstanding aggregate principal amount of the local obligations purchased with proceeds of the VRA Bonds.

"Rule" means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

"SEC" means the U.S. Securities and Exchange Commission.

(b) The Local Government shall Make Public or cause to be Made Public:

(1) Within seven months after the end of the Local Government's Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Local Government constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included in a document Made Public by specific reference to any document available to the public on the internet website of the Municipal Securities Rulemaking Board ("MSRB") or filed with the SEC. If the document referred to is a final official statement, then it must be available from the MSRB.

(2) In a timely manner, notice of any failure by the Local Government to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been "Made Public" if transmitted to VRA, to the Trustee and to the MSRB in an electronic format as prescribed by the MSRB.

(d) The Local Government shall also notify VRA of the occurrence of any of the following events that may from time to time occur with respect to this Agreement, such notice to be given in a timely manner not in excess of five Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement maintained with respect to this Agreement reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other notices or determinations with respect to this Agreement that could affect the tax status of the Related Series of VRA Bonds, or other events with respect to this Agreement that could affect the tax status of the Related Series of VRA Bonds;

(7) modifications to rights of holders;

(8) bond calls and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of this Agreement;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Local Government;

(13) the consummation of a merger, consolidation, or acquisition involving the Local Government or the sale of all or substantially all of the assets of the Local Government, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;

(14) appointment of a successor or additional trustee for this Agreement, if any, or the change of name of a trustee; and

(15) the failure of the Local Government on or before the date required by this Agreement to provide Annual Financial Information to the persons and in the manner required by this Agreement.

(e) Additionally, upon request of VRA, the Local Government shall certify in writing that it has made all filings and disclosures under this Section or any similar undertaking pursuant to the Rule.

(f) Notwithstanding anything in this Agreement to the contrary, the Local Government need not comply with the provisions of subsections (a) through (d) above unless and until VRA has notified the Local Government that it satisfied the objective criteria for a Material Local Government as of the end of VRA's immediately preceding fiscal year.

(g) (1) If the Local Government fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of VRA Bonds then Outstanding may, by notice to the Local Government, proceed to protect and enforce its

rights and the rights of the other holders by an action for specific performance of the Local Government's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Local Government to comply with any disclosure obligation specified in this Agreement (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (1) of this subsection.

(h) The Local Government may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Local Government shall not incur any obligation to continue to provide, or to update, such additional information or data.

(i) The Local Government may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to cause to be Made Public the information described in this Section, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. It is not necessary for purposes of this Article that the Dissemination Agent have any agency relationship with the Local Government for purposes of state law.

(j) All documents Made Public under this Section shall be accompanied by identifying information as prescribed by the MSRB.

Section 9.8 Indebtedness. The Local Government shall pay when due all amounts required by any indebtedness of the Local Government and perform all of its obligations in connection with all indebtedness of the Local Government.

Section 9.9 Liability. (a) Subject to Subsection (b) below, VRA shall not be liable for any loss, damage, death or injury of any kind or character to persons or property, arising from any use of the Leased Property, or any part thereof, or caused by any defect in any building, structure or other improvement thereon or in any other facility thereof, or caused by or arising from any act or omission of the Local Government, or any of its agents, employees, sublessees, licensees or invitees, or by or from any accident on the Real Estate or any fire or other casualty thereon.

(b) Notwithstanding anything herein to the contrary, VRA shall be liable for its own negligence, willful misconduct or for any breach of any covenant, representation or warranty of VRA herein or in any other document or instrument executed and delivered in connection with this Agreement.

Section 9.10 Litigation; Material Change. The Local Government shall promptly notify VRA of (i) the existence and status of any litigation that the County Attorney determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a material adverse effect on the financial condition or operations of the Local Government or its ability to perform its payment and other obligations under this Agreement or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

ARTICLE X

DEFAULTS AND REMEDIES

Section 10.1 Events of Default. Each of the following events is an "Event of Default":

(a) The failure to pay any principal component of a Rental Payment in full when due (whether at maturity, redemption date, acceleration or otherwise).

(b) The failure to pay any interest component of a Rental Payment (including Supplemental Interest) when due.

(c) The failure to make any payment or deposit required by this Agreement (other than a Rental Payment) within 15 days after its due date.

(d) The Local Government's failure to perform or observe any of the other covenants, agreements or conditions of this Agreement and the continuation of such failure for a period of 60 days after written notice specifying such failure and requesting that it be cured is given to the Local Government by VRA, or, in the case of any such failure which cannot with diligence be cured within such 60-day period, the Local Government's failure to proceed promptly to commence to cure the failure and thereafter to prosecute the curing of the failure with diligence.

(e) Any warranty, representation or other statement by or on behalf of the Local Government contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of this Agreement is false and misleading in any material respect.

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Local Government under any federal or state bankruptcy or insolvency law now or hereinafter in effect and, if instituted against the Local Government, is not dismissed within 60 days after filing.

(g) An order or decree shall be entered, with the Local Government's consent or acquiescence, appointing a receiver or receivers of the Leased Property or any part of it, or if such order or decree, having been entered without the Local Government's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within 60 days after its entry.

Notwithstanding anything to the contrary contained herein, the Local Government's failure to make any payment hereunder due to non-appropriation is not an Event of Default, but is an Event of Non-Appropriation governed by Article V.

Section 10.2 Acceleration. (a) Upon the occurrence and continuation of an Event of Default, VRA may, by notice in writing delivered to the Local Government, declare the entire unpaid Rental Payments due and payable. Upon any such declaration, the Local Government shall immediately pay to the Trustee the entire unpaid Rental Payments and other sums owed

hereunder, if any. VRA may in its discretion waive an Event of Default and its consequences and rescind any acceleration of the unpaid Rental Payments.

(b) Upon the occurrence and continuation of an Event of Default, VRA may reenter and take possession of the Leased Property, with or without terminating this Agreement, exclude the Local Government from possession and sell its leasehold interest in the Leased Property, or lease or sublease all or any portion of the Leased Property for the account of the Local Government, holding the Local Government liable for all Rental Payments and all other payments due up to the effective date of such selling, leasing or subleasing and for the difference between (i) the purchase price, rent or other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and (ii) the Rental Payments and other amounts payable by the Local Government hereunder.

Section 10.3 Other Remedies. Upon the occurrence and continuation of an Event of Default, VRA may proceed to protect and enforce its rights by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement contained in this Agreement. No remedy conferred by this Agreement is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to VRA under this Agreement or now or hereafter existing at law or in equity or by statute.

Section 10.4 Delay and Waiver. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence in it, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Agreement shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent to it.

Section 10.5 Non-Substitution. The Local Government acknowledges and agrees that the non-appropriation provisions of Section 3.10 and Article V hereof are not intended (i) to be used for convenience termination or (ii) for the purpose of replacing any portion of the Leased Property with other substantially identical property. The Local Government, to the extent permitted by applicable law, agrees not to utilize such provisions for such purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.1 State Aid Intercept. The Local Government acknowledges that VRA is treating this Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Act, including amendments thereto taking effect as of July 1, 2011, which in the event of a nonpayment thereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Act. In purchasing this Agreement, VRA is further relying on Section 62.1-216.1 of the Act, providing that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the Local Government of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the Local Government for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

Section 11.2 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 11.3 Amendments. VRA and the Local Government shall have the right to amend from time to time any of this Agreement's terms and conditions, provided that all amendments shall be in writing and shall be signed by or on behalf of VRA and the Local Government.

Section 11.4 Limitation of Local Government's Liability. In the absence of fraud or intentional misconduct, no present or future director, official, officer, employee or agent of the Local Government shall be liable personally to VRA in respect of this Agreement or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement.

Section 11.5 Applicable Law. This Agreement shall be governed by Virginia law.

Section 11.6 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of VRA and the Local Government, as the case may be, only to the extent permitted by law.

Section 11.7 Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Local Government, at the address specified for notices on the signature page; (b) if to VRA, at 1111 East Main Street,

Suite 1920, Richmond, Virginia 23219, Attention: Executive Director; or (c) if to the Trustee, at 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219, Attention: Corporate Trust Department. A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. VRA, the Local Government and the Trustee may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 11.8 Right to Cure Default. If the Local Government fails to make any payment or to perform any act required by it under this Agreement, VRA or the Trustee, without prior notice to or demand upon the Local Government and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by VRA or the Trustee and all costs, fees and expenses so incurred shall be payable by the Local Government as an additional obligation under this Agreement, together with interest thereon at the rate of 15% per year until paid. The Local Government's obligation under this Section shall survive the payment of this Agreement.

Section 11.9 Term of Agreement. Except as provided in Section 3.6, this Agreement is effective as of the Effective Date. Except as otherwise specified, the Local Government's obligations under this Agreement and this Agreement shall expire upon payment in full of this Agreement and all other amounts payable by the Local Government under this Agreement.

Section 11.10 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.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Local Government and VRA are signing this Agreement as of the day and year first above written.

[SEAL]

VIRGINIA RESOURCES AUTHORITY

By: _____
William G. O'Brien, Chairman

ATTEST:

Stephanie L. Hamlett, Executive Director

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by William G. O'Brien, as Chairman of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

COMMONWEALTH OF VIRGINIA

CITY OF RICHMOND

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by Stephanie L. Hamlett, as Executive Director of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

Address for Notices:
84 Courthouse Square
P.O. Box 336
Lovington, Virginia 22949
ATTN: County Administrator

COUNTY OF NELSON, VIRGINIA

By: _____
Name:
Title:

[SEAL]

ATTEST:

Clerk, Board of Supervisors

COMMONWEALTH OF VIRGINIA:

COUNTY OF _____:

The foregoing instrument was acknowledged before me in the County of Nelson, Virginia, this ____ day of _____ 2015, by _____, as the _____ of the County of Nelson, Virginia, respectively, on behalf thereof.

My commission expires: _____

Registration No.: _____

Notary Public

COMMONWEALTH OF VIRGINIA:

COUNTY OF _____:

The foregoing instrument was acknowledged before me in the County of Nelson, Virginia, this ____ day of _____ 2015, by _____, as the _____ of the County of Nelson, Virginia, respectively, on behalf thereof.

My commission expires: _____

Registration No.: _____

Notary Public

[Signature Page of Local Lease Acquisition Agreement and Financing Lease for County of Nelson, Virginia]

The Trustee, by the execution hereof, accepts the duties imposed on it by this Agreement.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Patricia A. Welling
Vice President

COMMONWEALTH OF VIRGINIA

CITY OF RICHMOND

The foregoing instrument was acknowledged before me this ____ day of _____, 2015
by Stephanie L. Hamlett, as Executive Director of Virginia Resources Authority, on behalf
thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

[Signature Page of Local Lease Acquisition Agreement and Financing Lease for County of
Nelson, Virginia]

EXHIBIT A
DESCRIPTION OF THE REAL ESTATE

EXHIBIT B
DESCRIPTION OF THE PROJECT

EXHIBIT C

**PENDING OR THREATENED ACTIONS, SUITS, PROCEEDINGS, OR
INVESTIGATIONS**

[To be provided by Counsel for the Local Government]

EXHIBIT D
FORM OF REQUISITION

Requisition No.

Date:

U.S. Bank National Association, as Trustee
Attention: Corporate Trust Department
1021 East Cary Street
18th Floor
Richmond, Virginia 23219

Virginia Resources Authority
1111 East Main Street
Suite 1920
Richmond, Virginia 23219
Attention: Executive Director

This Requisition, including Schedule 1 and Schedule 2 hereto, is submitted in connection with the Local Lease Acquisition Agreement and Financing Lease dated as of September 25, 2015 (the "Financing Lease") between the Virginia Resources Authority and the County of Nelson (the "Local Government"). Unless otherwise defined in this Requisition, each capitalized term used herein has the meaning given it under Article I of the Financing Lease. The undersigned Local Representative hereby requests payment of the following amounts from the Local Account established for the Local Government in the 2015D Acquisition Fund established under the Thirty-Third Supplemental Series Indenture.

Payee:

Address:

Amount to be Paid:

Purpose (in reasonable detail) for which obligations(s) to be paid were incurred:

Attached on Schedule 2 are the wire instructions for this requisition, and also attached hereto is an invoice (or invoices) relating to the items for which payment is requested.

The undersigned certifies that (i) the amounts requested by this Requisition will be applied in accordance with the Local Tax Document and solely and exclusively to the payment, or the reimbursement of the Local Government for its payment, of Project Costs of the construction portion of the Project, (ii) no notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the Requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the Requisition, and (iii) this Requisition contains no items representing payment on account of any retained percentage entitled to be retained at this date.

If this Requisition includes payments for labor or to contractors, builders or materialmen, the attached Certificate of Local Representative must be completed. If this Requisition includes payments for any lands or easements, rights or interest in or relating to lands, the attached Certificate of the Local Representative must be completed and there must be attached to this Requisition a certificate signed by a Local Representative stating that upon payment therefor the Local Government will have title in fee simple to, or easements, rights or interests sufficient for the purposes of the construction portion of the Project over or through such lands.

The Local Government has agreed in the Financing Lease that any amounts it receives pursuant to this Requisition will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.

Local Representative

SCHEDULE 1

Form to Accompany Requisition

Requisition # _____
 Recipient: County of Nelson, Virginia – VRA 2015D
 Local Representative: _____
 Title: _____
 Date: _____

<u>Cost Category</u>	<u>Total Project Cost</u>	<u>Previous Disbursements</u>	<u>Disbursement This Period</u>	<u>Disbursements to Date</u>	<u>Remaining Balance</u>
	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$

SCHEDULE 2

Wire Instructions for Requisition

[To be provided by the Local Government]

CERTIFICATE OF LOCAL REPRESENTATIVE

The undersigned Local Representative for the Local Government hereby certifies that (i) insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the Project, and (ii) insofar as the amounts covered by the Requisition include payments for land or easements, rights or interests in or relating to lands, such lands, easements, rights or interests are being acquired and are necessary or convenient for the undertaking and completion of the Project.

Date: _____

Local Representative

EXHIBIT E

OPERATING DATA

Description of Local Government. A description of the Local Government including a summary of its form of government and budgetary processes.

Debt. A description of the terms of the Local Government's outstanding tax-supported and revenue debt including a historical summary of such outstanding debt; a summary of authorized but unissued debt; a summary of legal debt margin (if any); a summary of overlapping debt; and a summary of annual debt service on outstanding debt as of the end of the preceding fiscal year. The annual disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

Financial Information and Operating Data. Financial information and operating data respecting the Local Government including a description of revenues and expenditures for its major funds and a summary of its tax policy, structure and collections as of the end of the preceding fiscal year.

EXHIBIT F

FORM OF OPINION OF COUNSEL TO THE LOCAL GOVERNMENT

[Print on the Letterhead of Counsel for the Local Government]

_____, 2015

Board of Supervisors
County of Nelson, Virginia

Virginia Resources Authority
Richmond, Virginia

**Local Lease Acquisition Agreement and Financing Lease
dated as of September 25, 2015**

Ladies and Gentlemen:

I have acted as counsel to the County of Nelson, Virginia (the "Local Government"), in connection with the execution and delivery of a Local Lease Acquisition Agreement and Financing Lease (the "Financing Lease") dated as of September 25, 2015, by and between the Local Government and the Virginia Resources Authority ("VRA"), the net proceeds of which will be applied to finance the Project (as defined in the Financing Lease) and in such capacity, I have examined, among other things, the following documents:

- (a) a certified copy of the Local Authorization (as defined in the Financing Lease), authorizing the execution and delivery of the Financing Lease to finance the Project;
- (b) a copy of the Financing Lease;
- (c) a copy of the Prime Lease (as defined in the Financing Lease); and
- (d) a copy of the Local Tax Document (as defined in the Financing Lease).

The documents referred to in clauses (b) through (d) above are referred to collectively as the "Local Lease Documents."

I have also examined such other records and proceedings of the Local Government and conducted such investigations as I deemed appropriate and necessary for purposes of this opinion. Unless otherwise defined, each capitalized term used in this opinion has the same meaning given to such term in the Financing Lease.

As to questions of fact material to the opinions and statements set forth herein, I have relied upon representations of the Local Government set forth in the Local Lease Documents and other certificates and representations by persons including representatives of the Local

Government. Whenever an opinion or statement set forth herein with respect to the existence or absence of facts is qualified by the phrase "to the best of my knowledge" or a phrase of similar import, it is intended to indicate that during the course of my representation of the Local Government in connection with the Local Lease Documents no information has come to my attention that should give me current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation of the existence or absence of such facts, and no inference as to my knowledge or the existence or absence of such facts should be drawn from the fact of my representation or any other matter.

Based upon such examination and assuming the authorization, execution, delivery and enforceability of all documents by parties other than the Local Government, I am of the opinion that:

1. The Local Government is a duly created and validly existing political subdivision of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

2. The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver the Local Lease Documents and all related documents, (ii) undertake the Project, and (iii) carry out and consummate all of the transactions contemplated by the Local Authorization and the Local Lease Documents.

3. The Local Lease Documents were duly authorized by the Local Authorization and the Financing Lease is in substantially the same form as presented to the Governing Body at its meeting at which the Local Authorization was adopted.

4. All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date hereof have been obtained for (i) the Local Government's adoption of the Local Authorization, (ii) the execution and delivery of the Local Lease Documents, (iii) the Local Government's performance of its obligations under the Local Lease Documents, and (iv) to the best of my knowledge, the operation and use of the Related Financed Property. I know of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals cannot be obtained as required in the future.

5. The Local Lease Documents have been executed and delivered by duly authorized officials of the Local Government and constitute legal, valid and binding obligations of the Local Government enforceable against the Local Government in accordance with their respective terms, subject to appropriation by the Local Government. The obligations of the Local Government under the Local Lease Documents, and the enforceability of such obligations, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, (c) the exercise of sovereign police powers of the Commonwealth of Virginia, and (d) rules of law which may limit the enforceability on public policy grounds of any obligations of indemnification undertaken by the Local Government.

6. The execution and delivery of the Local Lease Documents and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) any federal or Virginia constitutional or statutory provision, (ii) to the best of my knowledge, any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

7. The Local Government, to the best of my knowledge, is not 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 and subject to which any indebtedness for borrowed money has been incurred. To the best of my knowledge, no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Financing Lease, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

8. The Local Government (i) to the best of my knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Lease Documents and (ii) is not 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 Local Government is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Lease Documents. The execution and delivery by the Local Government of the Local Lease Documents and the compliance with the terms and conditions thereof will not conflict with, result in a breach of or constitute a default under any of the foregoing.

9. Except as set forth in the Financing Lease, there are not pending nor, to the best of my knowledge, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or the Local Lease Documents, (iii) in any way contesting or affecting the validity or enforceability of the Local Authorization, the Local Lease Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, or the Local Lease Documents, or (v) affecting the undertaking of the Project.

Very truly yours,

EXHIBIT G

FORM OF CERTIFICATION AS TO NO DEFAULT AND TAX COMPLIANCE

[DATE]

[Insert Name]
Compliance & Financial Analyst
Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219

Dear [Mr./Ms.] _____:

In accordance with Section 9.4 of the Local Lease Acquisition Agreement and Financing Lease dated as of September 25, 2015 (the "Financing Lease") between Virginia Resources Authority and the County of Nelson, Virginia (the "Local Government"), I hereby certify that, during the fiscal year that ended June 30, _____, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 10.1 of the Financing Lease.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Local Government has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Related Financed Property has not changed since the Closing Date.] [If untrue, please describe.]
3. [Neither the Related Financed Property nor any portion thereof is being used by a Nongovernmental Person pursuant to a lease, an incentive payment contract or a take-or-pay or other output-type contract.] [If untrue, please describe.]
4. [Neither the Related Financed Property nor any portion or function thereof is being used pursuant to or is otherwise subject to a Service Contract that does not satisfy the requirements of Revenue Procedure 97-13, as modified by Revenue Procedure 2001-39 and IRS Notice 2014-67.] [If untrue, please describe.]
5. [Other than as may be described in paragraphs 2, 3 and 4 above, neither the Related Financed Property nor any portion or function thereof nor any portion of the Proceeds is being used for a Private Business Use.] [If untrue, please describe.]
6. [The Local Government has not used or permitted the use of any Proceeds of the Financing Lease directly or indirectly to make a loan to an ultimate borrower other than

itself within the meaning of Section 4.3 of the Local Tax Document.] [If untrue, please describe.]

7. [Other than any amounts described in the Local Tax Document (as defined in the Financing Lease), between VRA and the Local Government and amounts that may constitute or be on deposit in a Bona Fide Debt Service Fund, there neither have been nor are now any moneys, securities, obligations, annuity contracts, residential rental property, AMT Bonds, investment-type property, Sinking Funds, Pledged Funds, or other Replacement Proceeds accumulated or held or pledged as security by the Local Government or any other Substantial Beneficiary of the Financing Lease as security for or the direct or indirect source of the payment of the principal of or interest on the Financing Lease.] [If untrue, please describe.]
8. [The Local Government is in compliance with the recordkeeping requirements of Section 4.9 of the Local Tax Document.] [If untrue, please describe.]
9. [Other than as may be described above, the Local Government is not in default of any of its obligations under the Local Tax Document.] [If untrue, please describe.]
10. Unless otherwise defined herein, each capitalized term used herein has the meaning set forth in the Local Tax Document.

Sincerely,

[Insert Name]
Local Representative

EXHIBIT H
DESCRIPTION OF SPECIAL USE ARRANGEMENTS

SCHEDULE 1.1

FINAL TERMS

Principal Amount of Related Series of VRA
Bonds

Principal Components of Rental Payments

Lease Proceeds Amount

The Lease Proceeds Amount was determined as follows: by adding to the par amount of the portion of the Related Series of VRA Bonds (\$_____), the Local Government's share of the net premium on the Related Series of VRA Bonds (\$_____) and by subtracting from the par amount of the Related Series of VRA Bonds the Local Government's share of VRA's Expenses set forth in Section 3.2 (\$_____) and the Local Government's share of the deposit on the Closing Date to a VRA Reserve (\$_____).

**ADDITIONAL CONDITIONS PRECEDENT TO ACQUISITION OF FINANCING
LEASE:**

**ADDITIONAL CONDITIONS PRECEDENT TO FIRST REQUISITION OF THE
LEASE PROCEEDS AMOUNT:**

PROJECT BUDGET

Sources

Par Amount

Premium

Estimated Earnings

Total Sources

Uses

Construction

Design & Engineering

Local Costs of Issuance

VRA Costs of Issuance

Capital Reserve Fund - Partial Allocation

Underwriter's Discount

Contingency

Total Uses

INTEREST RATES AND PAYMENT SCHEDULE FOR LOCAL BOND

Prepared by:
Arthur E. Anderson II
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219

Tax Parcel Nos.: _____

LEASEHOLD DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST IS EXEMPT FROM RECORDING TAXES UNDER SECTION 58.1-811 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED

This **LEASEHOLD DEED OF TRUST AND SECURITY AGREEMENT** (as amended, modified, extended, restated or supplemented from time to time, this "Deed of Trust"), is dated November 1, 2015, and is made by the VIRGINIA RESOURCES AUTHORITY, a public body corporate and a political subdivision of the Commonwealth of Virginia ("Grantor" for indexing purposes and "VRA" for reference herein), for the benefit of PATRICIA A. WELLING, a resident of the County of Chesterfield, Virginia whose address is 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219, Attention: Corporate Trust Services, and NANCY H. TAYLOR, a resident of the City of Richmond, Virginia, whose address is 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219, Attention: Corporate Trust Services, as trustees (collectively, "Grantee" for indexing purposes and the "Deed of Trust Trustee" for reference herein).

RECITALS

A. VRA is issuing a portion of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2015D (the "Related Series of Bonds") to assist the County of Nelson, Virginia (the "County"), with financing one or more projects (collectively, the "Project") as described in the Local Lease Acquisition Agreement and Financing Lease dated as of September 25, 2015 (as amended, modified, extended, restated or supplemented from time to time, the "Financing Lease"), between the County and VRA. The Related Series of Bonds and all other Bonds, as hereinafter defined, related to the financing of the Project are referred to herein as the "Related VRA Bonds."

B. VRA and the County entered into a Prime Lease dated as of November 1, 2015 (as amended, modified, extended, restated or supplemented from time to time, the "Prime Lease"), between VRA and the County pursuant to which VRA acquired a leasehold interest in the real estate described in Exhibit A (the "Real Estate") and the Improvements (as defined in the Financing Lease). VRA will lease the Real Estate and the Improvements (as more particularly defined in the Financing Lease, the "Leased Property") back to the County pursuant to the Financing Lease.

C. The Related Series of Bonds will be issued pursuant to a Master Indenture of Trust dated as of December 1, 2003, as previously supplemented and amended and as further supplemented by a Thirty-Third Supplemental Series Indenture of Trust dated as of November 1, 2015 (collectively and as the same may be further supplemented and amended from time to time, the "Indenture"), both between VRA and U.S. Bank National Association, as trustee (the

"Trustee"). Under the Indenture, the Related Series of Bonds are secured equally and ratably with all other outstanding bonds and bonds issued in the future (collectively with the Related Series of Bonds, the "Bonds") upon the terms and conditions set forth in the Indenture. Under the Indenture, VRA has agreed to assign to the Trustee as security for the Bonds all of its right, title and interest in and to the Prime Lease and the Financing Lease (collectively, the "Leases"), subject to the terms of the Indenture.

NOW, THEREFORE, to secure the payment of the Bonds and performance of VRA's obligations under this Deed of Trust, the Bonds, the Indenture, the Leases and in all other instruments securing the Bonds (collectively, the "Obligations"), if any, that may now or hereafter become owing from VRA to the Trustee, and in consideration of One Dollar (\$1.00) in hand paid, receipt and sufficiency of which is hereby acknowledged, VRA does hereby grant, convey and assign, with special warranty of title, unto the Deed of Trust Trustee, its successors and assigns forever, the Property, as hereinafter defined.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be conveyed and assigned, to the Deed of Trust Trustees and their successor(s) in such trust and its assign(s) forever.

The leasehold estate created by the Financing Lease together with VRA's interest in the following described property are collectively referred to herein as the "Property":

(i) All Improvements and all materials intended for construction, reconstruction, alteration and repair of such Improvements which shall be deemed to be included in the Property immediately upon delivery thereof to the Real Estate.

(ii) All the easements, rights of way and appurtenances thereunto belonging or in any way appertaining, and the reversion or reversions, remainder and remainders, rents, issue and profits thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of VRA of, in and to the same and of, in and to every part and parcel thereof.

(iii) All right, title and interest of VRA, if any, in and to the land lying in the bed of any street, road, avenue or alley, opened or proposed, in front of or adjoining the Real Estate.

(iv) All fixtures, machinery, equipment, furnishings and personal property now owned or hereafter acquired by VRA or the County and used in connection with the Real Estate, including, but not limited to, heating, refrigerating, air conditioning, electrical, gas and lighting equipment and systems, boilers, piping and plumbing fixtures, fire prevention and sprinkling equipment and systems, security systems and other property related to the operation and maintenance of the improvements on the Real Estate, together with all modifications and substitutions therefor and proceeds therefrom (whether cash or otherwise).

(v) All awards or payments, including interest thereon, and the right to receive the same, that may be made with respect to the Property as a result of (i) the exercise of the right of eminent domain or deed in lieu thereof, (ii) the alteration of the grade of any street or (iii) any other injury to or decrease in the value of the Property, to the extent of all amounts that may be secured by this Deed of Trust at the date of receipt of any such award or payment by the Trustee and to the extent of the reasonable counsel fees, costs and disbursements incurred by the Trustee

in connection with the collection of such award or payment. VRA agrees to execute and deliver, from time to time, such further instruments as may be requested by the Trustee to confirm the assignment to the Trustee of any such award or payment.

(vi) All modifications and substitutions for, and all proceeds from, the Property, including, without limitation, all insurance proceeds and condemnation awards payable as a result of the loss or damage to, or the taking by eminent domain of, all or any part of the Property.

(vii) All leases of or relating to the Property and all rents, incomes and profits arising from the Property, provided that this assignment shall not impose on the Deed of Trust Trustee or the Trustee any obligations of the lessor under such leases.

Each capitalized term used herein has the same meaning given to it in the Financing Lease.

1. GENERAL COVENANTS AND RESERVED RIGHTS. (a) VRA shall cause to be paid all amounts due under the Bonds and shall perform all covenants, conditions and agreements of VRA contained in the Bonds and the Leases. VRA acknowledges that the Financing Lease contains certain covenants by the County with respect to the Leased Property that are binding on successors in interest in the Leased Property and that include matters relating to maintenance, repair, insurance, taxes, damage and destruction with respect to the Leased Property. The provisions of the Financing Lease are hereby incorporated by reference in this Deed of Trust.

(b) As permitted under Section 2.3 of the Master Indenture, so long as no Event of Default (as defined in the Master Indenture) with respect to the Bonds has occurred and is continuing, VRA has the right and license, among other things, to modify the Leases, which right and license includes, among other things, the right to amend the property leased pursuant to the Leases and grant certain rights and privileges related to such property, and make corresponding amendments to this Deed of Trust to conform it to the changes to the Leases all without the consent of the Trustee or the Deed of Trust Trustees.

2. LEASE. VRA represents, warrants, covenants and agrees that:

(a) This Deed of Trust is lawfully executed and delivered in conformity with the Financing Lease and the Indenture.

(b) VRA shall promptly perform and observe all of the terms, covenants and conditions required to be performed and observed by VRA under the Leases, within the periods as are provided therein, and will do all things necessary to preserve and to keep unimpaired their rights under the Leases.

(c) VRA shall promptly notify the Trustee in writing of any default by the County in the performance or observance of any of the terms, covenants, or conditions on the part of the County to be performed or observed under the Leases.

(d) VRA shall (i) promptly notify the Trustee in writing of the receipt by

VRA of any notice from the County noting or claiming any default by VRA or the County in the performance or observance of any of the terms, covenants, or conditions to be performed or observed under the Leases; (ii) promptly notify the Trustee in writing of the receipt by VRA of any notice from the County to VRA of termination of the Leases pursuant to the provisions thereof; and (iii) promptly cause a copy of each such notice received by VRA from the County to be delivered to the Trustee.

(e) VRA shall execute and deliver, on request of the Trustee, such instruments as the Trustee may deem useful or required to permit the Trustee to cure any default under the Leases or permit the Trustee to take such other action as the Trustee considers desirable to cure or remedy the matter in default and preserve the interest of the Trustee in the Property.

The generality of the provisions of this paragraph relating to the Leases are not limited by other provisions of this Deed of Trust setting forth particular obligations of VRA which are also required of VRA under the Leases. The rights granted and remedies available to the Trustee under this Deed of Trust are separate and cumulative of any and all rights granted and available to the Trustee under the Leases.

3. NO MERGER. So long as any of the obligations secured by this Deed of Trust remain unpaid, unless the Trustee otherwise consents in writing, the fee title to and the leasehold estate in the leasehold premises demised under the Leases will not merge, but always will be kept separate and distinct, notwithstanding the union of such estates in the County or VRA, or in a third party, by purchase or otherwise.

4. REMEDIES ON DEFAULT OR ACCELERATION. Upon the occurrence and continuation of an Event of Default (as defined in the Indenture), the Trustee may, subject to the terms of the Indenture:

(a) have access to and inspect, examine and make copies of VRA's books, records and accounts pertaining to the Property;

(b) exercise any of the rights of the Trustee under this Deed of Trust or the Leases; and

(c) take whatever action at law or in equity which appears necessary or desirable to collect the amounts then due and to become due or to enforce observance or performance of the Obligations.

Whenever an Event of Default (as defined in the Indenture) has occurred and is continuing, or whenever there is a failure by the County to appropriate moneys to make Rental Payments under the Financing Lease, and if and as directed by the Trustee, the Deed of Trust Trustee shall execute the trust created by this Deed of Trust and shall sell, lease or otherwise transfer at the option of the Trustee VRA's interest in the Property (or such portion thereof as the Trustee may select) for cash or upon such terms and conditions as the Deed of Trust Trustee may deem expedient, and at such time and place as the Deed of Trust Trustee may consider advisable, at public auction, after having first advertised the time, place and terms and given notice to the County and VRA as required by law. Out of the proceeds of any such sale (and except to the extent some other allocation of proceeds is required by statute) after paying first all the expenses

attending the execution of this trust, including auctioneer's fees, if any, trustee's commission on the proceeds of sale as provided by law and, second, all taxes, levies, assessments, insurance premiums and other charges due and unpaid at the time of sale, any and all amounts advanced by the Deed of Trust Trustee or the Trustee in accordance with the terms hereof, with interest and penalties thereon and a ratable portion of the taxes, assessments or levies for the calendar year in which VRA's interest in the Property is sold, then the Deed of Trust Trustee will pay to the Trustee the Rental Payments under the Financing Lease then unpaid, and all other obligations secured by the Financing Lease, and finally will pay the balance, if any, to the holders of any junior liens upon the Property and then to the County. In the event of any foreclosure hereunder, the Trustee has the right to cause to be transferred or canceled any and all insurance policies then outstanding on the Property and the proceeds of such transfer or cancellation will be accounted for and disbursed as though it were a part of the proceeds of sale of the Property. The insurance companies issuing such policies of insurance are hereby authorized to transfer or cancel the same upon the order of the Trustee and to remit the proceeds of any such cancellation to the Trustee. If, before or at the time of the sale, the Deed of Trust Trustee shall deem it proper for any reason to postpone or continue the sale, they may do so, in which event notice of such postponement will be published in at least one subsequent issue of the same newspaper before the day of sale. Further, upon the occurrence of any such default or event of non-appropriation, the Deed of Trust Trustee, at the request of the Trustee, will have the absolute right to enter upon the Property and take possession thereof, and VRA agrees to surrender the Property to the Deed of Trust Trustee promptly upon demand. The Deed of Trust Trustee will have the right to operate the Property themselves or through agents appointed by them and to receive rents and profits therefrom. All such rents and profits will be applied to reasonable compensation to the Deed of Trust Trustee for their services and to the expenses of operating the Property, with any excess to be applied to payment of interest on and the principal of the Bonds.

5. RECEIVERSHIP. VRA agrees that if an Event of Default has occurred and is continuing, the Trustee may apply for the appointment of a receiver of the Property or the rents and profits of the Property, or both, without notice except as required by law, and will be entitled to the appointment of the receiver as a matter of right, without consideration of the value of the Property, and solvency of VRA or the effect of the receivership on the operation of the Property or the County's business thereon.

6. CONCERNING THE DEED OF TRUST TRUSTEE.

(a) The powers of the Deed of Trust Trustee hereunder may be exercised by either Deed of Trust Trustee named herein or any successor Deed of Trust Trustee, and the Deed of Trust Trustee may act through their agents and attorneys, and in the event of the resignation, death, incapacity, disability, removal or absence from the Commonwealth of Virginia of the Deed of Trust Trustee hereunder, or in the event the Trustee for any reason (which reason need not be specified) may deem it appropriate, the Trustee may, by instrument executed and acknowledged, designate and appoint one or more substitute Deed of Trust Trustees in the place and stead of any such Deed of Trust Trustee, the substituted Deed of Trust Trustee or Deed of Trust Trustees to thereupon be vested with all the powers, rights, authority and duties vested in a Deed of Trust Trustee hereunder. Each such appointment and substitution will be made by written instrument executed by the Trustee containing reference to this Deed of Trust sufficient to identify it, which instrument, when recorded in the office of the Clerk's Office of the County

or counties in which the Property or any portion thereof is situated, will be conclusive proof of proper appointment of the successor trustee. The recital or statement, in any instrument executed by Deed of Trust Trustee in pursuance of any of said trusts, of the due authorization of any agent of the Deed of Trust Trustee executing the same will for all purposes be conclusive proof of such authorization.

(b) The Deed of Trust Trustee will be under no duty (i) to take any action hereunder except as expressly set forth herein and then only following notice of default set forth below, and no implied obligations will be read into this Deed of Trust; or (ii) to perform any act that would involve them in expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to their satisfaction; or (iii) to account for the use or application of any payments of the Bonds or under any other documents securing the sale. The Deed of Trust Trustee will not be required to take notice, nor will they be deemed to have knowledge, of any default of VRA or the County, nor will they be required to ascertain or inquire as to the performance of any covenants or agreements contained herein or in the Leases or the Bonds, and they may conclusively assume that there has been no such default unless and until they have been specifically notified in writing of such default by the Trustee, VRA or the County.

(c) VRA will pay, from legally available funds, or cause to be paid (subject to legally available funds) to the Deed of Trust Trustee just compensation for any and all services performed and all their expenses, charges, counsel fees and other disbursements incurred on and about the administration and execution of the trusts hereby created, and the performance of their duties and powers hereunder, which compensation, expenses, fees and disbursements will constitute a part of the indebtedness secured hereby. To the extent funds are legally available, VRA agrees to save the Deed of Trust Trustee harmless, or cause to be held harmless the Deed of Trust Trustee, against any loss, liability or expense that it may incur in the exercise and performance of its powers and duties hereunder or the administration of this trust or as a result of serving as a Deed of Trust Trustee hereunder, and not due to its negligence or bad faith.

7. ASSIGNMENT OF LEASES AND RENTS. VRA hereby assigns to the Trustee, as additional security for the Obligations, all leases, rents, income and profits presently existing or hereafter arising out of the Property, including the Financing Lease. The Trustee, at its option, may collect and apply the same, less expenses of collection, to the Rental Payments under the Financing Lease or to the performance of VRA's obligation hereunder or to the continued operation of the Property, or any combination of the foregoing, in such manner and amounts as the Trustee in its sole discretion may determine. The remedies granted in this paragraph are in addition to the other remedies provided in this Deed of Trust or in any other instrument securing the Bonds, and no exercise hereunder shall prevent a simultaneous or subsequent exercise of any other such remedy.

8. SECURITY AGREEMENT. VRA shall execute and deliver, from time to time, such instruments as may be requested by the Trustee to confirm the lien of this Deed of Trust on any portion of the Property. This Deed of Trust, in addition to constituting a lien on real estate, is a security agreement by which VRA has granted to the Trustee a security interest in all Property, and will support any financing statement filed showing the interest of the Trustee as a secured party with respect to any portion of the security described in such financing statement. The Trustee, in addition to, and not in lieu of or in diminution of, its rights and remedies herein

provided, has all rights and remedies of a secured party under the Virginia Uniform Commercial Code.

9. MISCELLANEOUS COVENANTS AND AGREEMENTS.

(a) VRA shall permit, subject to the Leases, the Deed of Trust Trustee and the Trustee to inspect the Property at such reasonable time or times, upon prior written or telephonic notice to the County, as they may desire, either in person or through their duly authorized agents or representatives.

(b) VRA waives the benefit of any debtor's exemptions that lawfully may be waived as to the indebtedness and obligations secured by this Deed of Trust.

(c) Except as otherwise provided herein, the covenants herein contained bind, and the benefits and advantages herein contained inure to, the respective heirs, personal representatives, successors and assigns of the parties hereto and of the Trustee and its successors and assigns. Whenever used herein, the singular number includes the plural and the plural the singular, and the use of any gender includes all other genders.

(d) The rights of the Trustee and the Deed of Trust Trustee arising under the clauses and covenants contained in this Deed of Trust, the Bonds or any of the other Basic Documents are separate, distinct and cumulative, and none of them are in exclusion of the others or of any rights and remedies to which the Trustee or Deed of Trust Trustee is entitled at law or in equity. No act of the Trustee or the Deed of Trust Trustee will be construed as an election to proceed under any one provision herein to the exclusion of any other provision, and no failure to act hereunder or thereunder in the event of a default will be deemed to constitute waiver of any continuation of that default or of any other default. In the event that one or more provisions of this Deed of Trust, the Bonds or the Leases shall be held to be invalid, illegal or unenforceable in any respect such invalidity, illegality or unenforceability will not affect any other provisions hereof, and this Deed of Trust will be construed as if any such provisions had never been contained herein.

(e) Any notice which any party hereto may desire or be required to give to the other is deemed to be adequate and sufficient notice if given in accordance with the provisions of the Indenture or Financing Lease.

(f) Upon the payment in full of the Related Bonds and the termination of the Financing Lease, the Trustee and the Deed of Trust Trustee, at the expense of VRA, shall cause the lien and security interest created by this Deed of Trust to be released, cancelled and discharged, and the Trustee and the Deed of Trust Trustee shall execute and deliver to VRA instruments necessary to effect such release, cancellation and discharge, and shall assign and deliver to VRA any property which the Deed of Trust Trustee then may hold pursuant to this Deed of Trust.

(g) If any clause, provision or section of this Deed of Trust is held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Deed of Trust shall be construed and enforced as if such illegal or invalid clause, provision or section had not been

contained herein. If any agreement or obligation contained in this Deed of Trust is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Local Government or VRA, as the case may be, only to the full extent permitted by law.

(h) This Deed of Trust shall be governed by the applicable laws of the Commonwealth of Virginia. It expresses the entire understanding and all agreements between the parties and may not be modified except in writing signed by VRA and the Trustee.

(i) This Deed of Trust may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

(j) VRA hereby waives the benefit of any exemptions as to the debt hereby secured and as to all other obligations which may be imposed upon VRA by the provisions of this Deed of Trust.

10. VRA EXPRESSLY WAIVES AND RELEASES ANY REQUIREMENT OR OBLIGATION THAT THE TRUSTEE OR THE DEED OF TRUST TRUSTEE PROCEED BEFORE ANY COURT, CLERK, OR OTHER JUDICIAL OR QUASI-JUDICIAL BODY BEFORE EXERCISE OF THE POWERS OF SALE CONTAINED IN THIS DEED OF TRUST AND IN SECTIONS 55-59.1 THROUGH 55-59.4 OF THE CODE.

11. EXCULPATION. Notwithstanding anything contained in this Deed of Trust to the contrary, all of the obligations of VRA hereunder are nonrecourse obligations, and the Deed of Trust Trustee and the Trustee must look solely to the Property for the satisfaction of any and all remedies they may have against VRA upon a default hereunder. Neither the Deed of Trust Trustee nor the Trustee may enforce or attempt to enforce any deficiency or other personal money judgment against VRA with respect to the Obligations.

[Signature Page Follows]

WITNESS the following signature as of the date first above written.

VIRGINIA RESOURCES AUTHORITY

By: _____
William G. O'Brien, Chairman

[SEAL]

ATTEST:

Stephanie L. Hamlett, Executive Director

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by William G. O'Brien, as Chairman of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

COMMONWEALTH OF VIRGINIA

COUNTY OF RICHMOND

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by Stephanie L. Hamlett, as Executive Director of Virginia Resources Authority, on behalf thereof.

My commission expires: _____.

Registration No.: _____.

[SEAL]

Notary Public

EXHIBIT A
DESCRIPTION OF REAL ESTATE

[to be attached]