

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF  
CAMPBELL, VIRGINIA**

September 19, 2022

The meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Citizen Services Building first-floor conference room, Rustburg, Virginia, on September 19, 2022.

The Directors present were:

Dennis Rosser, Vice Chairman  
George Rosser, Secretary Treasurer

Jack Dean  
Don Wooldridge  
Tommy Vaughn

The Directors Absent were:

a)  
Vance Driskill, Chairman  
Larry Dalton, Vice Chairman

Also present:

Nina Rezai, Campbell County Economic Development Manager  
Frank Rogers, County Administrator  
F. Jesse Bausch, Attorney, Sands, Anderson  
David Rose, Davenport & Company  
Frank Wright, Esq., Overbey, Hawkins, Wright, & Vance, PLLC  
Amy Vallorani, Economic Development Coordinator

Call to Order

// Acting Chairman Rosser called the meeting to order at 7:01 p.m.

Public Comments

// There were no public comments.

Completion of Funding for Rustburg Middle School:

// Frank Rogers – County Administrator, Sands Anderson, and Davenport & Company

// In the summer of 2020, the County secured funding for approximately 90% of the cost of the Rustburg Middle School project. The second phase of funding, required to complete the funding for the project, is scheduled for this fall. The Board of Supervisors and the School Board has adopted the appropriate resolutions.

// Mr. Rose, with Davenport & Company, fiduciary of the county, presented a financial advisement project to the Authority.

// Mr. Bausch of Sands Anderson presented the structure of the collateral of the lease to the Authority with a lease-hold interest in Brookneal Elementary, and will live as long as the financing lives. Mr. Bausch explained the parameters of the financing and the bond-purchase agreement to satisfy the bid.

// Mr. Dean made a motion to accept the lease and the resolutions of \$6,500,000 based on the 20-year amortization with American National Bank of Danville, VA. Mr. Vaughn seconded the motion. With all in favor and none opposed, the motion passed.

#### Matters from the Chairman

//No further matters from the Chairman.

#### Matters from the IDA Members

//No further matters from the IDA Members.

#### Adjourn

// Hearing no further questions or matters from Chairman Rosser, Mr. G. Rosser made a motion to adjourn. Mr. D. Rosser seconded the motion. With all in favor and none opposed, the meeting adjourned at 7:35 p.m. The next meeting will be held on October 27, 2022.

#### RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CAMPBELL, VIRGINIA

WHEREAS, the Board of Supervisors (the "Board of Supervisors") of the County of Campbell, Virginia (the "County") directed Davenport & Company LLC (the "Financial Advisor") to prepare and distribute a Request for Proposals (the "RFP") to obtain financing proposals to finance various County capital needs; WHEREAS, the Financial Advisor reviewed responses to the RFP for the financing of the Projects (as defined below) and along with the County's Bond Counsel, Sands Anderson PC, Richmond, Virginia ("Bond Counsel") and the County Administrator recommended that the Board of Supervisors accept the proposal dated August 2, 2022 (the "Proposal") from American National Bank and Trust Company (the "Lender") for such financing with an interest rate as set forth in such Proposal and subject to such other terms as set forth therein;

WHEREAS, the Board of Supervisors has requested the Industrial Development Authority of the County of Campbell, Virginia (the "Authority") to (a) issue, offer and sell its lease revenue bond in an amount of approximately \$6,500,000 (the "Bond") to finance school capital improvements in the County, including but not limited to, completion financing for the construction, improvement and equipping of Rustburg Middle School (the "Projects"), (b) lease the Brookneal Elementary School property from the Campbell County School Board (the "School Board") or such other property of the School Board or the County selected by the Chairman of the Board of Supervisors if it is determined that such property is not available or appropriate to be leased, (the "Leased Property") for an approximately twenty-six year term under a Ground Lease (as defined below), and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a Lease Agreement (as defined below) with the Authority and (c) secure the Bond by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease under an Assignment Agreement (as defined below), which is to be acknowledged and consented to by the County and the School Board, all in accordance with a Bond Purchase Agreement (as defined below);

WHEREAS, there have been presented to this meeting drafts of the following documents (collectively, the “Documents”) in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

a. a Ground Lease, dated as of September 1, 2022, between the School Board and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (the “Ground Lease”);

b. a Lease Agreement, dated as of September 1, 2022, between the Authority and the County (the “Lease Agreement”) conveying to the County a leasehold interest in such Leased Property;

c. a Bond Purchase Agreement, dated as of September 1, 2022 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (the “Bond Purchase Agreement”);

d. an Assignment Agreement, dated as of September 1, 2022 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County and the School Board (the “Assignment Agreement”);

e. a specimen Bond.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CAMPBELL, VIRGINIA:

1. The following plan for financing the Projects is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing of the Projects and to lease the Leased Property from the School Board for a lease term of approximately twenty-six years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted a resolution as its moral obligation to the repayment of the Bond and as a statement of its intent to consider the appropriation of funds sufficient to pay rent under the Lease Agreement annually during the term thereof. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from possession of the Leased Property. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.

2. The Authority hereby (a) acknowledges and consents to the County’s approval of the Proposal and the issuance and delivery of the Bond to the Lender, (b) approves the Documents and (c) approves the form of the Bond in the principal amount of \$6,500,000, with a fixed interest rate not to exceed 3.35%, for an amortization of approximately 20 years from its date of issuance, maturing no later than September 1, 2042, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same. The County Administrator or Chairman of the Board of Supervisors of the County is hereby authorized to determine the final terms of the Bond, including, but not limited to the principal amount, maturity and amortization, whose determination shall be conclusive, as evidenced by his execution of such Bond.

3. The Chairman and Vice-Chairman of the Authority, either of whom may act, are authorized and directed to execute the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this

Resolution as may be approved by the officer executing them, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

4. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Bond by manual or facsimile signature, the Secretary and Assistant Secretary, if any, either of whom may act, are hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Bond and attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Bond to the Lender.

5. All costs and expenses in connection with the financing of the Projects and the issuance of the Bond, including the Authority's fees and expenses and the fees and expenses of Bond Counsel, the Financial Advisor, the County Attorney, counsel for the Authority, and the Lender, if any, for the issuance and delivery of the Bond shall be paid from the proceeds of the Bond or other legally available funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor. It is anticipated that the Bond will be paid and by the Authority from funds received under the Lease Agreement.

6. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond.

7. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections, at the request of the County, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bond, (c) providing for the County to pay any such rebate amount, and (d) filing Internal Revenue Service Form 8038-G, and to take all such further action as they may consider necessary or desirable in connection with the issuance and delivery of the Bond and the financing of the Projects. The foregoing shall be subject to the advice, approval and direction of Bond Counsel.

8. The County has designated the Bond and allocated to the Authority in relation to the issuance of the Bond, such designation as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2022 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations for the benefit of the County pursuant to Section 265(b) (3) of the Code during such calendar year.

9. The Board of Supervisors on behalf of the County has designated the Bond as eligible for the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the Authority is a subordinate entity of the County under Section 148(f)(4)(D) of the Code and the County is a governmental unit with general taxing powers, no bond which is a part of the Bond will be a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the Authority and the County in the County, and the aggregate face amount of all tax-exempt bonds, excluding private activity bonds to be issued by the County and the Authority during the calendar year 2022 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of the Bond as are attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii). The Board of Supervisors on behalf of the County has allocated to the Authority its small issuer size limitation for the calendar year 2022 to the Bond for purposes of Section 148(f)(4)(D) of the Code.

10. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

11. Nothing in this Resolution, the Bond, or the Documents shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.

12. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and delivery of the Bond and the financing of the Projects are hereby approved and ratified.

13. This Resolution shall take effect immediately.

ADOPTED: This 19<sup>th</sup> day of September, 2022.

#### CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Secretary/Treasurer of the Industrial Development Authority of the County of Campbell, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on September , 2022, by the Authority with the following votes:

Aye: \_\_\_\_\_

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Absent: \_\_\_\_\_

\_\_\_\_\_

Nay: \_\_\_\_\_

\_\_\_\_\_

Abstentions: \_\_\_\_\_

Signed this 19th day of September, 2022.

By: \_\_\_\_\_  
Secretary-Treasurer

**THE MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF  
CAMPBELL, VIRGINIA  
September 19, 2022**

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Dennis Rosser, Vice Chairman

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George Rosser, Secretary Treasurer