

10. CAPITAL PROJECTS FINANCING

Our Financial Advisor, Mr. David Rose with Davenport & Company, will rejoin us to provide an update on preparations associated with implementation of the Plan of Finance discussed last month. They've been busy planning for a competitive public market sale to sell bonds in order to fund:

- A. Overage costs for the Courthouse project;
- B. Public safety radio system improvements and equipment replacement; and
- C. Various vehicle/equipment upgrades.

Much like our public bond sale last February, the financing will be facilitated through the issuance of public facility lease revenue bonds by the county's Industrial Development Authority (IDA) and secured with a leasehold interest in the courthouse property.

Accordingly, it is necessary for the Board to officially request the IDA to issue its bonds for this purpose. Attached for your consideration, please find a resolution drafted by Mr. T.W. Bruno, the county's bond counsel with McGuireWoods, LLP authorizing the lease revenue bonds and approving the financing documents, including the Preliminary Official Statement (POS).

The resolution limits the financing to a not-to-exceed principal sum of \$14 million, a not-to-exceed true interest cost of 5%, and a maturity date of December 31, 2043.

MOTION REQUIRED:

If the Board is so inclined, a motion is required to adopt the attached resolution requesting the IDA to issue its Public Facility Lease Revenue Bonds for the purposes described herein above, in the maximum principal amount of \$14,000,000 at a not-to-exceed true interest cost of 5% and a not-to-exceed maturity date of December 31, 2043.

A RESOLUTION OF THE BOARD OF SUPERVISORS OF SOUTHAMPTON COUNTY, VIRGINIA REQUESTING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA TO ISSUE ITS PUBLIC FACILITY LEASE REVENUE BONDS

A. Southampton County, Virginia (the "**County**") has determined that it is necessary and advisable to finance all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment (collectively, the "**Project**").

B. The Board of Supervisors of Southampton County, Virginia (the "**Board**") proposes to finance the Project through the issuance of public facility lease revenue bonds (the "**Bonds**") by the Industrial Development Authority of Southampton County, Virginia (the "**Authority**").

C. The Bonds will be secured in part by a leasehold interest in all or a portion of facilities as the County Administrator may designate, which may include, without limitation, the County's courthouse (the "**Leased Projects**").

D. The County will lease the Leased Projects to the Authority under one or more leases or amendments to existing leases (the "**Lease**"), and the County will lease the Leased Projects back from the Authority under a financing lease or an amendment to an existing financing lease between the Authority and the County (the "**Financing Lease**"). The Bonds will be payable solely from the revenues derived from the Financing Lease under which the County will agree to make rental payments, subject to annual appropriation, sufficient to pay the principal of and interest on the Bonds.

E. The Bonds will be issued under the following documents: (i) an Indenture of Trust or a supplement to an existing indenture (the "**Indenture**") between the Authority and a corporate trustee to be selected by the County Administrator (the "**Trustee**"), with the form of the Bonds attached thereto; (ii) the Lease; (iii) the Financing Lease; (iv) a Leasehold Deed of Trust or modification to an existing deed of trust (the "**Leasehold Deed of Trust**") from the Authority to the trustees named therein; (v) an Assignment of Rents and Leases or modification to an existing assignment (the "**Assignment of Rents and Leases**") between the Authority and the Trustee; and (vi) a Preliminary Official Statement ("**Preliminary Official Statement**") and an Official Statement ("**Official Statement**").

F. All the documents listed above are referred to in this Resolution as the "**Basic Documents**."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF SOUTHAMPTON COUNTY, VIRGINIA:

1. **Issuance of Bonds.** The Board requests the Authority to issue its Bonds in the maximum principal amount of \$14,000,000 in one or more series at one time or from time to time as may be requested by the County Administrator or Chief Financial Officer (each an "**Authorized Representative**"). The Bonds will be paid from revenues derived from payments made by the County under the Financing Lease. The proceeds of the Bonds will be used to finance certain costs of the Project and to pay the costs of issuing the Bonds.

2. **Authorization of Basic Documents.** The Bonds and the Basic Documents are approved in substantially the forms on file with the County Administrator, with such changes, insertions or omissions (including, without limitation, the Leased Projects, as designated by the County Administrator, and changes of the dates thereof) as may be approved by the Authorized Representatives, whose approval shall be evidenced conclusively by the execution and delivery of the Basic Documents to which the County is a party. The execution and delivery of and performance by the County of its obligations under the Bonds and the Basic Documents to which it is a party are authorized.

3. **Execution of Documents.** The Authorized Representatives are each authorized to execute on behalf of the County the Basic Documents to which the County is a party, and, if required, the Clerk of the Board of Supervisors or any Deputy Clerk is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents and to attest such seal. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts and to take such further action, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Basic Documents; and all of the foregoing, previously done or performed by such officers or agents of the County, are in all respects approved, ratified and confirmed.

4. **Sale of Bonds.** The Bonds shall be offered for sale in such manner as the Authorized Representatives may determine to be in the best interests of the County. The Authorized Representatives are authorized and directed to accept a bid or proposal for the purchase of the Bonds which results in the lowest true interest cost to the County, provided that the true interest cost of the Bonds does not exceed the maximum true interest cost set forth in this paragraph 4. If the Authorized Representatives determine that it is in the best interest of the County to sell the Bonds in a negotiated sale, then the Authorized Representatives are authorized and directed to execute and deliver a bond purchase agreement with an underwriter or group of underwriters selected by the Authorized Representatives providing for the sale and delivery of the Bonds. The Authorized Representatives are authorized and directed to determine and approve the final details of the Bonds, including, without limitation, the aggregate principal amount of the Bonds or each series of Bonds, the optional and mandatory redemption provisions and the sale price of the Bonds, provided that (i) the true interest cost of the Bonds shall not exceed 5%, (ii) the aggregate principal amount of the Bonds shall not exceed the amount set forth in paragraph 1, and (iii) the final maturity of the Bonds shall not be later than December 31, 2043. The approval of the Authorized Representatives shall be evidenced conclusively by the execution and delivery of such documentation evidencing the sale of the Bonds.

5. Disclosure Documents. The Authorized Representatives and such officials and agents of the County as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate Notice of Sale, Preliminary Official Statement and Official Statement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The Notice of Sale, Preliminary Official Statement, Official Statement or other documents shall be published in such publications and distributed in such manner, including by electronic distribution, and at such times as the Authorized Representatives or such officers and agents of the County as such officials may designate, shall determine. The Authorized Representatives or such other officer or agent of the County as such officials may designate, are authorized to deem the Preliminary Official Statement "final" for purposes of Securities Exchange Commission Rule 15c2-12.

6. Costs and Expenses. All costs and expenses in connection with the undertaking of the Project and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel and counsel for the Authority, shall be paid from the proceeds of the Bonds, or other legally available funds of the County. If for any reason the Bonds are 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.

7. Nature of Obligations. Nothing in this Resolution, the Bonds or the Basic Documents shall constitute a debt of the County and the Authority shall not be obligated to make any payments under the Bonds or the Basic Documents except from payments made by or on behalf of the County under the Financing Lease. The County Administrator is directed to submit for each fiscal year a request to the Board of Supervisors for an appropriation to the Authority for an amount equal to the rental payments coming due under the Financing Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to this Resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors of the County for such purpose. Nothing in this Resolution, the Bonds or the Financing Lease shall constitute a pledge of the full faith and credit of the County.

8. Tax Covenants. The Chief Financial Officer, or her designee, is hereby authorized and directed to execute and deliver simultaneously with the issuance of the Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes a tax certificate or agreement, or both (collectively, the "Tax Agreement") setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Code, including the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The proceeds from the issuance of the Bonds will be invested and expended as set forth in the Tax Agreement and that the County will comply with the other covenants and representations contained in it.

9. Further Actions. (a) Each Authorized Representative (or a designee of either Authorized Representative) are hereby authorized and directed to take further action as each deems necessary or appropriate regarding the issuance of the Bonds and the financing of the Project.

(b) All actions taken by officers and agents of the County in connection with the issuance of the Bonds are hereby ratified and confirmed. The officers and agents of the County are hereby authorized and directed to take such further actions as each deems

necessary regarding the issuance of the Bonds and all actions taken by such officers and agents in connection with the issuance of the Bonds are hereby ratified and confirmed.

(c) Whenever this Resolution authorizes the Authorized Representatives to take an action, it shall be sufficient for one Authorized Representative to act to bind the County.

10. Exercise of Discretion and Authorizations. Any authorization of an officer of the County under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the County, unless expressly provided otherwise. The authorizations granted in this Resolution to the Chairman of the Board of Supervisors may be carried out by the Vice Chairman, in the absence or unavailability of the Chairman. The authorizations granted in this Resolution to the County Administrator may be carried out by any Interim, Acting or Assistant County Administrator, in the absence or unavailability of the County Administrator. The authorizations granted in this Resolution to the Chief Financial Officer may be carried out by any Interim or Acting Chief Financial Officer, in the absence or unavailability of the Chief Financial Officer.

11. SNAP Investment Authorization. The County has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the County has determined to authorize the Authorized Representatives to utilize SNAP in connection with the investment of the proceeds of the Bonds, if the Authorized Representatives determine that the utilization of SNAP is in the best interest of the County. The County acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract.

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

The undersigned Clerk of the Board of Supervisors of Southampton County, Virginia, hereby certifies that the foregoing constitutes a true, complete and correct copy of the Resolution adopted at a regular meeting of the Board of Supervisors of Southampton County, Virginia, held on April 26, 2022.

Clerk, Board of Supervisors of Southampton
County, Virginia

"NEW ISSUE"

Ratings: Moody's: __
S&P: __

BOOK-ENTRY ONLY

In the opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, under current law and assuming the compliance with certain covenants and the accuracy of certain representations and certifications made by the Authority and the County described herein, interest on the Series 2022 Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not treated as a preference item in calculating the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2022 Bonds is excludable from gross income for purposes of income taxation by the Commonwealth of Virginia. See "TAX MATTERS."

\$ _____ *

**INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA
Lease Revenue Bonds (Southampton County Capital Projects),
Series 2022**

DATED: Date of Delivery

DUE: _____ 1, as shown on inside cover

The Industrial Development Authority of Southampton County, Virginia (the "Authority") will issue its Lease Revenue Bonds (Southampton County Capital Projects), Series 2022 (the "Series 2022 Bonds"). The proceeds of the Series 2022 Bonds will be used by the County of Southampton, Virginia (the "County") to assist the County with (i) financing all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment (collectively, the "Financed Projects"), and (ii) financing the costs of issuing the Series 2022 Bonds. The Authority is issuing the Series 2022 Bonds under an Indenture of Trust dated as of March 1, 2021 (the "Original Indenture"), between the Authority and Regions Bank, as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust dated as of _____, 20__ (the "First Supplemental Indenture" and together with the Original Indenture, the "Indenture").

The Series 2022 Bonds are issued as fully registered bonds and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Series 2022 Bonds. So long as Cede & Co., is registered owner of the Series 2022 Bonds, as the nominee for DTC, (1) references herein to the Bondholder or registered owner shall mean Cede & Co., and (2) principal and interest shall be payable to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Series 2022 Bonds. Individual purchases will be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof and individual purchasers will not receive physical delivery of bond certificates. See "APPENDIX E – Book-Entry-Only System" herein. The Series 2022 Bonds shall bear interest from the dated date, payable semi-annually on _____ 1 and _____ 1, beginning _____ 1, 20__.

The Series 2022 Bonds will be subject to optional and extraordinary redemption as set forth herein. See "DESCRIPTION OF BONDS – Redemption of Bonds" herein.

The Series 2022 Bonds will be limited obligations of the Authority payable solely from certain payments to be made by the County under a Financing Lease dated as of March 1, 2021 (the "Original Financing Lease"), between the County and the Authority, as amended by a First Amendment to Financing Lease dated as of _____, 2022 (the "First Amendment to Financing Lease" and together with the Original Financing Lease, the "Financing Lease"), between the County and the Authority, and will be secured by a leasehold mortgage on certain of the Financed Projects. The obligation of the County to make payments under the Financing Lease will be subject to annual appropriations by the Board of Supervisors of the County, which will be under no legal obligation to make such appropriations. **Neither the Series 2022 Bonds nor the Financing Lease constitute a debt of the County or a pledge of the faith and credit or taxing power of the County.**

THE SERIES 2022 BONDS AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2022 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2022 BONDS OR OTHER COSTS INCIDENT TO THEM. THE AUTHORITY HAS NO TAXING POWER.

The Series 2022 Bonds are offered when, as and if issued by the Authority, subject to the approval of their validity by McGuireWoods LLP, Richmond, Virginia, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Authority by McGuireWoods LLP, Richmond, Virginia and for the County by the County Attorney, Richard E. Railey, Jr., Esq. It is expected that the Series 2022 Bonds will be available for delivery through the facilities of The Depository Trust Company on or about _____, 20__.*

The Series 2022 Bonds will be awarded pursuant to electronic competitive bidding to be held via BIDCOMP/PARITY® at _____ A.M. (Eastern), _____, 2022,* unless postponed, as set forth in the Notice of Sale. See APPENDIX F - FORM OF NOTICE OF SALE.

This cover page contains certain information for quick reference only. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Dated: _____, 2022

* Preliminary, subject to change.

\$ _____*

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
SOUTHAMPTON COUNTY, VIRGINIA**
Lease Revenue Bonds
(Southampton County Capital Projects),
Series 2022

MATURITY SCHEDULE
(Base CUSIP Number _____)**

<u>Year</u> (_____ 1)*	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Price</u> %	<u>Yield</u> %	<u>CUSIP</u> ** <u>Suffix</u>
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* Preliminary, subject to change.

** A registered trademark of the American Bankers Association ("ABA"), used by Standard & Poor's in its operation of the CUSIP Service Bureau for the ABA. The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely as a convenience to prospective purchasers and Holders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to the Series 2022 Bonds may be changed while they are outstanding based on a number of factors including, but not limited to, the refunding or defeasance of the Series 2022 Bonds or the use of secondary market financial products. There is no duty or obligation to, update this Official Statement to reflect any change of correction in the CUSIP numbers set forth above.

Optional Redemption. The Series 2022 Bonds maturing on or before _____ 1, 20__*, are not subject to optional redemption. The Series 2022 Bonds maturing on or after _____ 1, 20__*, are subject to optional redemption by the Authority on or after _____ 1, 20__*, if the County exercises its option to make prepayments under the Financing Lease or at the direction of the County from any other money available for such purpose, in whole or in part (in increments of \$5,000) at any time, upon payment of the redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. Mandatory redemption provisions will be included in the final Official Statement, if the winning bidder elects, as permitted by the Notice of Sale, to combine serial maturities into one or more term bonds. See **APPENDIX F - FORM OF NOTICE OF SALE.**

* Preliminary, subject to change.

COUNTY OF SOUTHAMPTON, VIRGINIA

BOARD OF SUPERVISORS

Dr. Alan W. Edwards, *Chairman*
William Hart Gillette, *Vice Chairman*
Christopher D. Cornwell, Sr.
Carl J. Faison
Dallas O. Jones
Lynda Updike
Robert White

COUNTY OFFICIALS

Michael W. Johnson, *County Administrator*
Lynette C. Lowe, *Deputy County Administrator, Chief Financial Officer*
Richard E. Railey, Jr., *County Attorney*

BOND COUNSEL

McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219

FINANCIAL ADVISOR

Davenport & Company LLC
One James Center
901 East Cary Street
Richmond, Virginia 23219

The Series 2022 Bonds are being issued under exemptions from any registration requirements under the Securities Act of 1933, as amended, and any registration requirements under the securities laws of the Commonwealth of Virginia.

No dealer, broker, salesman or other person has been authorized by the County or the Authority to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the Authority, the County and the purchasers or owners of any of the Series 2022 Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in affairs of the Authority or the County or in any other matters described herein since the date hereof or, as in the case of certain information incorporated herein by reference to certain publicly available documents, since the date of such documents.

The information set forth herein has been obtained from the County, the Authority and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by any of such sources as to information provided by any other source. All quotations from, and summaries and explanations of, provisions of law and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions identify forward-looking statements. A number of factors affecting the County and its financial results could cause actual results to differ materially from those stated in the forward-looking statements.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 2022 Bonds above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County since the date hereof.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and which has the same meaning as "final official statement" in SEC rule 15c2-12.

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Appendix A - Southampton County, Virginia

Appendix B - Audited Financial Statements of the County of Southampton, Virginia for the Fiscal Year Ended
June 30, 2021

Appendix C - Form of Opinion of Bond Counsel

Appendix D - Form of Continuing Disclosure Agreement

Appendix E - Book-Entry-Only System

Appendix F - Form of Notice of Sale

OFFICIAL STATEMENT

\$ _____ *

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
SOUTHAMPTON COUNTY, VIRGINIA
Lease Revenue Bonds
(Southampton County Capital Projects),
Series 2022**

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to set forth certain information in connection with the initial offering by the Industrial Development Authority of Southampton County, Virginia (the "Authority") of its \$ _____ * Lease Revenue Bonds (Southampton County Capital Projects), Series 2022 (the "Bonds").

The Authority

The Authority was created pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act") by an ordinance adopted by the Board of Supervisors of the County of Southampton, Virginia (the "County") to promote and further the purposes of the Act. The Authority is a political subdivision of the Commonwealth of Virginia (the "Commonwealth") governed by seven directors appointed by the Board of Supervisors. There are currently two vacancies on the Board of Directors of the Authority. The Authority is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease and dispose of facilities for use by governmental entities and to finance the same by the issuance of its revenue bonds. The Series 2022 Bonds will be limited obligations of the Authority as described in the section "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**" The Authority has no taxing power.

The County

Appendix A contains financial and demographic information concerning the County. The County's audited financial statements for the fiscal year ended June 30, 2021, are contained in Appendix B.

The Bonds

The Series 2022 Bonds consist of \$ _____ * Lease Revenue Bonds (Southampton County Capital Projects), Series 2022, dated the date of delivery, with principal payments due on and in the years and amounts shown on the inside cover page of this Official Statement. Refer to "**DESCRIPTION OF BONDS**" for a more complete description. The Series 2022 Bonds will be issued pursuant to the Act, and an Indenture of Trust dated as of March 1, 2021 (the "Master Indenture"), between the Authority and Regions Bank, as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust dated as of _____, 2022 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture").

The Series 2022 Bonds will be awarded pursuant to electronic competitive bidding to be held via BIDCOMP/PARITY® at _____ A.M. (Eastern) on _____, 2022*, unless postponed, as set forth in the Notice of Sale. See "**UNDERWRITING AND SALE AT COMPETITIVE BIDDING**" herein and **APPENDIX F - FORM OF NOTICE OF SALE.**

* Preliminary, subject to change.

Security for the Bonds

The Series 2022 Bonds are secured on a parity basis under the Indenture with any bonds issued under the Indenture, and all bonds issued under the Indenture are referred to herein as the "Bonds." See the section "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**" The only other Bonds outstanding under the Indenture are the Authority's Lease Revenue and Refunding Bonds (Southampton County Capital Projects), Series 2021 (the "Series 2021 Bonds"). Upon the issuance of the Series 2022 Bonds, there will be \$ _____ of Series 2021 Bonds outstanding.

The Indenture pledges Basic Rent payments to the payment of the Bonds, and the Authority has assigned to the Trustee payments due it under the Financing Lease under an Assignment of Rents and Leases dated as of March 1, 2021 (the "Original Assignment of Rents and Leases"), as modified by a Modification Agreement dated as of _____, 2022 (the "Modification Agreement" and the Original Assignment of Rents and Leases as modified by the Modification Agreement, the "Assignment of Rents and Leases"), between the Authority, the Trustee and the Deed of Trust Trustees (as hereinafter defined). The Bonds are also secured by a Leasehold Deed of Trust and Security Agreement dated as of March 1, 2021 (the "Original Leasehold Deed of Trust"), as modified by the Modification Agreement (collectively, the "Leasehold Deed of Trust"), granting a mortgage on and security interest in the Authority's leasehold interest in the Leased Premises (as hereinafter defined) in favor of the Trustee.

The Authority entered into the Modification Agreement to provide that the Assignment of Rents and Leases and the Leasehold Deed of Trust secure the Series 2022 Bonds and the outstanding Series 2021 Bonds. See the section "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.**" The payments of Basic Rent by the County under the Financing Lease are expected to be sufficient to enable the Authority to pay principal of and interest on the Series 2022 Bonds and the outstanding Series 2021 Bonds.

Use of Proceeds

The Authority is issuing the Series 2022 Bonds to assist the County with (i) financing all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment (collectively, the "Financed Projects"), and (ii) financing the costs of issuing the Series 2022 Bonds.

The County will lease the real estate and improvements commonly referred to as the courthouse (the "Leased Premises") to the Authority under a Lease Agreement dated as of March 1, 2021 (the "Original Lease"), as amended by a First Amendment to Lease Agreement dated as of _____, 2022 (the "First Amendment to Lease" and together with the Original Lease, the "Lease"), between the Authority and the County. The Authority will lease the Leased Premises back to the County under a Financing Lease dated as of March 1, 2021 (the "Original Financing Lease"), between the County and the Authority, as amended by a First Amendment to Financing Lease dated as of _____, 2022 (the "First Amendment to Financing Lease" and together with the Original Financing Lease, the "Financing Lease"), between the County and the Authority and under the Financing Lease the County will agree to make rental payments corresponding to the debt service on the Series 2022 Bonds. See "**PLAN OF FINANCE.**"

Tax Matters

Under existing law, interest on the Series 2022 Bonds will be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and will be exempt from income taxation by the Commonwealth of Virginia. See "**TAX MATTERS**" for a more complete description of the significant elements of the federal and state income tax status of interest on the Series 2022 Bonds.

Delivery

The Series 2022 Bonds are offered for delivery when, as, and if issued, subject to the approval of validity by Bond Counsel, and to certain other conditions referred to herein. It is expected that the Series 2022 Bonds will be available for delivery at the expense of the County through the facilities of DTC on or about _____, 2022*.

Additional Information

Any questions concerning the contents of this Official Statement should be directed to the County, c/o Michael W. Johnson, County Administrator, 26022 Administration Center Drive, Courtland, Virginia 23837, (757) 653-3015, or to the County's Financial Advisor, Davenport & Company, LLC, 901 East Cary Street, 11th Floor, Richmond, Virginia 23219, (804) 697-2900.

* Preliminary, subject to change.

PLAN OF FINANCE

A portion of the proceeds of the Series 2022 Bonds, net of any underwriter's discount and amounts to be used to pay costs of issuing the Series 2022 Bonds, will be used to finance all or a portion the costs of the Financed Projects.

SOURCES AND USES OF BOND PROCEEDS

The following table shows the estimated sources and uses of Bond proceeds.

Sources

Principal amount of Bonds	\$
Plus Net Original Issue Premium	_____
Equity Contribution	_____
Total Sources	\$ _____

Uses

Financed Projects	\$
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ _____

⁽¹⁾ Includes, among other costs, legal fees, financial advisor fees, trustee fees, rating fees, printing costs and underwriter's discount. See "UNDERWRITING AND SALE AT COMPETITIVE BIDDING."

DESCRIPTION OF BONDS

General

The Series 2022 Bonds are dated the date of their delivery and will mature on _____ 1 in the years and principal amounts and will bear interest at the rates set forth on the inside cover page of this Official Statement. The Series 2022 Bonds are subject to redemption before maturity as set forth below. Interest will be payable on _____ 1 and _____ 1 of each year, beginning _____ 1, 20__ (each, an "Interest Payment Date") until maturity or redemption, by check or draft mailed to the registered owners provided that as long as the Series 2022 Bonds are in book-entry only form payments of principal of and interest on the Series 2022 Bonds will be made by wire transfer. All interest payments will be made to the registered owners of the Series 2022 Bonds as such owners appear on the registration books kept by the Bond Registrar on the _____ 15 or _____ 15 (as applicable) preceding the next Interest Payment Date (the "Record Date"). Interest on the Series 2022 Bonds will be calculated on the basis of a 360-day year comprised of 12 months of 30 days each.

The Series 2022 Bonds will be issued in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company (the "DTC"). Individual purchases of beneficial ownership in the Series 2022 Bonds will be made in principal amounts of \$5,000 or any integral multiple of \$5,000. Individual purchasers of beneficial ownership in the Series 2022 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Transfer of the Series 2022 Bonds and payment of principal of, premium, if any, and interest on the Series 2022 Bonds will be effected as described below in this section. If the book-entry system is discontinued, replacement bond certificates will be delivered as described in the Indenture, and the Beneficial Owners will become the registered owners of the Series 2022 Bonds.

Redemption of Bonds

Optional Redemption. The Series 2022 Bonds maturing on or before _____ 1, 20__*, are not subject to optional redemption. The Series 2022 Bonds maturing on or after _____ 1, 20__*, are subject to optional redemption by the Authority on or after _____ 1, 20__*, if the County exercises its option to make prepayments under the Financing Lease or at the direction of the County from any other money available for such purpose, in whole or in part (in increments of \$5,000) at any time, upon payment of the redemption price equal to the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Extraordinary Optional Redemption. If the County, subject to the limitations set forth in the Financing Lease, elects not to use the net proceeds from any insurance recovery or condemnation award receivable under the Financing Lease to repair, reconstruct or restore all or any portion of the Leased Premises under circumstances involving (i) damage to or loss or destruction of all or substantially all of the Leased Premises (including loss of title), or (ii) condemnation of all or substantially all of the Leased Premises or its sale in lieu of condemnation, the Series 2022 Bonds are subject to redemption, in whole at any time upon payment of a redemption price equal to 100% of the principal amount of the Series 2022 Bonds to be redeemed, plus accrued interest to the redemption date, from proceeds of any insurance recovery or condemnation award and any amounts necessary, in addition to such proceeds, to provide for the redemption of the Series 2022 Bonds as described above.

Mandatory Redemption. The Series 2022 Bonds maturing on _____, 20__ are subject to mandatory redemption on _____ of the years and in the amounts set forth below at a redemption price equal to the principal amount of Bonds called for mandatory redemption plus interest accrued to the redemption date:

<u>Year</u>	<u>Amount</u>
-------------	---------------

(final maturity)

The Authority will receive a credit against payments required to be made on any mandatory redemption date in an amount equal to the principal amount of any Bonds subject to mandatory redemption on such date that have been redeemed before such mandatory redemption date, that have been defeased under the Indenture or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least seventy days before such date, provided such Bonds have not previously been applied as a credit against any mandatory redemption payment. The credit will be applied in chronological order against payments required to be made on mandatory redemption dates, unless the Trustee received written instructions from the Authority at least seventy days before such dates to apply the credit in some other order.

Method of Selecting Bonds for Redemption. The Series 2022 Bonds called for redemption will be selected by the Trustee as directed by the County in such manner as the County may determine to be in its best interests. Each integral multiple of \$5,000 of principal amount will be counted as one Bond for purposes of selecting Bonds for a partial redemption. If a Bond is called for partial redemption, upon its surrender a replacement bond representing the unredeemed balance of the principal amount at maturity will be issued to the owner.

Effect of Redemption. After the date on which any Bonds have been called for redemption, and sufficient funds for the payment of the principal of and premium, if any, and unpaid interest accrued to the redemption date have been provided, interest on such Bonds will cease to accrue, and their registered owners will be entitled to receive payment only of the principal of and premium, if any, and unpaid interest accrued to the redemption date on such Bonds.

Notice of Redemption. Notice of redemption shall be given by the Trustee by electronic submission or otherwise in accordance with DTC procedures not less than 30 and not more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 2022 Bonds, to the substitute securities

* Preliminary, subject to change.

depository, or, if no securities depository then exists, to the respective registered owners of the Series 2022 Bonds to be redeemed by first class mail at their addresses as shown on the registration books maintained by the Trustee. Any notice of optional redemption may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. So long as DTC or its nominee is registered owner of the Series 2022 Bonds, the Trustee shall not be responsible for mailing notices of redemption to the Beneficial Owners. See **APPENDIX E - "Book-Entry-Only System."**

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Security for the Bonds

The Series 2022 Bonds are limited obligations of the Authority and are payable solely from and secured by a pledge of (i) payments of Basic Rent by the County under the Financing Lease, (ii) the Leasehold Deed of Trust and the Assignment of Rents and Leases, as described below, and (iii) certain funds established under the Indenture.

The Series 2022 Bonds are secured on a parity basis with the outstanding Series 2021 Bonds and any Additional Bonds issued in the future.

THE SERIES 2022 BONDS AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSES. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2022 BONDS OR OTHER COSTS INCIDENT TO THEM. THE AUTHORITY HAS NO TAXING POWER.

The Lease; The Financing Lease

The County will lease the Leased Premises, to the Authority under the Lease. The Leased Premises is comprised of the real estate and improvements commonly referred to as the courthouse. The term of the Lease commenced on March 2, 2021, the day the Series 2021 Bonds were issued, and will end on _____, 20____, unless sooner terminated upon payment of the Series 2022 Bonds. The County leases the Leased Premises from the Authority under the Financing Lease. The term of the Financing Lease commenced on March 2, 2021, the day the Series 2021 Bonds were issued, and will end on _____, 20____, unless sooner terminated upon payment of all amounts owed by the County to the Authority under the Financing Lease, subject to appropriation by the Board of Supervisors.

In the Financing Lease, the County has covenanted to pay Basic Rent and Additional Rent. Basic Rent payments are to be made in amounts expected to be sufficient to enable the Authority to meet its scheduled debt service payments on the Series 2022 Bonds and all other Bonds issued under the Indenture, including the outstanding Series 2021 Bonds and any Additional Bonds. Additional Rent includes fees and expenses of the Trustee, the Authority's administrative expenses, and any payments of arbitrage rebate due the United States pursuant to Section 148(f) of the Code.

Under the Financing Lease, the County has directed the County Administrator (or other officer charged with the responsibility of preparing the County's budget) to include in the budget for each of the County's fiscal years during the term of the Financing Lease a request that the Board of Supervisors of the County appropriate in the fiscal year all amounts due under the Financing Lease during such fiscal year. If at any time during any fiscal year the amount appropriated in the budget will be insufficient to pay when due amounts due under the Financing Lease, the County

has directed the County Administrator (or other officer charged with the responsibility of preparing the County's budget) to submit to the Board of Supervisors at its next regularly scheduled meeting or at least within 45 days a request for a supplemental appropriation sufficient to cover the deficit.

The Financing Lease requires the County to make semi-annual payments of Basic Rent on each May 15 and November 15 in amounts sufficient to pay the interest or principal and interest coming due on the Bonds on the following June 1 or December 1, as applicable. On the date that is ten days before each interest or principal and interest payment date on the Bonds, the Trustee will determine if it has sufficient amounts on deposit in the Bond Fund available to make the ensuing interest or principal and interest payment. If the amounts available in the Bond Fund are insufficient for this purpose, the Trustee promptly will give notice of this fact and the amount of the deficiency to the Authority and the County.

The County is required under the Financing Lease to pay Basic Rent to the Trustee in an amount sufficient to pay when due the principal of and interest on the Series 2022 Bonds and the outstanding Series 2021 Bonds. The County has covenanted in the Financing Lease to take such action as may be necessary to include the payments due under the Financing Lease in its annual budget, but the obligation of the County to make payments under the Financing Lease is limited to amounts lawfully available for such purpose. The Series 2022 Bonds, the outstanding Series 2021 Bonds, any Additional Bonds issued under the Indenture, and the County's obligations under the Financing Lease are not a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the County. The County will not be liable for any such payments under the Financing Lease unless and until funds have been appropriated by the Board of Supervisors of the County for payment and then only to the extent of such appropriations.

Funds Under the Indenture

Under the Indenture, the Authority pledges the revenues it receives from payments of Basic Rent under the Financing Lease to the Trustee. Such revenues, along with the money in the Project Fund and the Bond Fund are pledged to the payment of principal of and interest on the Bonds.

The Indenture provides that the Trustee will deposit in the Bond Fund (1) all rental payments received by the Trustee under the Financing Lease (excluding Additional Rent), (2) all prepayments made under the Financing Lease, (3) the Net Proceeds that will be used to prepay the Bonds, (4) any amounts transferred from the Project Fund under the Indenture and (5) any other amounts authorized to be deposited in the Bond Fund under the Indenture. The Trustee will pay from the Bond Fund the principal of, premium, if any, and interest on the Bonds when due.

The First Supplemental Indenture provides that the Trustee will deposit in the Project Fund a portion of the proceeds of the Series 2022 Bonds (except accrued interest, if any). The Trustee will use the proceeds of the Series 2022 Bonds in the Project Fund solely to pay Costs of Financing the Financed Projects and certain costs of issuing the Series 2022 Bonds. The Trustee will make payments from the Project Fund upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned.

Leasehold Deed of Trust; Assignment of Rents and Leases

Under the Leasehold Deed of Trust and Security Agreement from the Authority to the trustees named therein (the "Deed of Trust Trustees"), the Authority has granted a lien for the benefit of the Trustee on its leasehold interest created by the Lease in the Leased Premises. Under the Assignment of Rents and Leases from the Authority to the Trustee, the Authority has assigned to the Trustee its rights under and interest in the Financing Lease, including its right to receive payments under the Financing Lease. The Modification Agreement provides that the Leasehold Deed of Trust and the Assignment of Rents and Leases secure the Series 2022 Bonds and the outstanding Series 2021 Bonds.

Additional Bonds

Additional Bonds secured on an equal and ratable basis with the Series 2022 Bonds and the Series 2021 Bonds may be issued by the Authority from time to time under a supplemental indenture, but only for the purposes

described in "*Additional Bonds*" in the section "**THE FINANCING DOCUMENTS – The Indenture.**" That section also contains a description of the conditions required for the issuance of Additional Bonds.

The Authority may not issue any bonds or other evidence of indebtedness secured by a pledge of the revenues derived from rental payments under the Financing Lease or a lien on the Leased Premises other than the Bonds and any Additional Bonds.

THE FINANCING DOCUMENTS

The following is a summary of certain provisions of the Indenture, the Lease, the Financing Lease, the Leasehold Deed of Trust and the Assignment of Rents and Leases. This summary does not purport to be comprehensive or definitive and is qualified by references to such documents in their entirety, copies of which may be obtained at the office of the County Administrator. All capitalized terms have the meanings set forth in the Indenture or the Financing Lease. The definitions of certain key terms used in the Indenture and the Financing Lease are also set forth below.

Definitions

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, of the Code of Virginia of 1950, as amended.

"Additional Bonds" means any bonds issued to finance or refinance Additional Projects or Project Additions or to refund any of the Bonds in accordance with the terms of a Supplemental Indenture in accordance with the Indenture.

"Additional Projects" means such capital improvements as the County may designate by resolution of the Board.

"Additional Rent" means the Additional Rent that is payable under Section 5.2(b) of the Financing Lease and includes (1) reasonable fees of the Trustee, (2) administrative expenses of the Authority or the Deed of Trust Trustees, and (3) any amounts due the United States pursuant to Section 148(f) of the Code.

"Basic Rent" means the Basic Rent that is payable under Section 5.2(a) of the Financing Lease and includes payments to be made by the County with respect to principal of, premium, if any, and interest on the Bonds and any Additional Bonds.

"Bond" or "Bonds" mean any bond or bonds, including the Series 2021 Bonds and the Series 2022 Bonds, any Additional Bonds and any Replacement Bonds, as the case may be, issued pursuant to the Indenture, but does not include any bond anticipation bonds or bonds or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, resolution or similar instrument.

"Bond Counsel" means an attorney or a firm of attorneys (designated by the Authority) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Business Day" means any day other than (1) a Saturday or Sunday, (2) a day on which commercial banks in the Commonwealth of Virginia, or the city in which the principal corporate trust office of the Trustee is located, are authorized by law to close, (3) a day on which the New York Stock Exchange is closed, or (4) such other days as may be specified in a Supplemental Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings, and any successor codification.

"Cost" means all reasonable or necessary costs, expenses and other amounts that are permitted under the Act to be paid out of the proceeds of the Series 2022 Bonds.

"Cost of Financing the Financed Projects" means all Costs to be paid out of the proceeds of the Series 2022 Bonds to finance the Financed Projects.

"Cost of Issuance" means the costs incurred with respect to the issuance of the Bonds, including without limitation, the Trustee's initial fees and expenses (including the fees and expenses of its counsel), rating agency fees, fees and expenses of consultants and attorneys, printing costs and expenses, and fees and expenses of the Authority and the County incurred in connection with the issuance and sale of the Bonds.

"Counsel" means any attorney or firm of attorneys acceptable to the Authority and the Trustee, duly admitted to practice law before the highest court of any state of the United States of America, who may be a full-time employee, director or officer of the Authority, the County or the Trustee.

"Defeased Municipal Obligations" means obligations of the Commonwealth of Virginia or any county, city, town, district, authority, agency, political subdivision or other public body of the Commonwealth of Virginia, which are rated in the highest rating category by both Rating Agencies, provision for the payment of the principal of and interest on which has been made by the deposit with a trustee or escrow agent of Government Obligations or Government Certificates, the maturing principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations.

"Financed Projects" means the financing all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment.

"Fiscal Year" means the twelve-month period established by the County as its annual accounting period.

"Fitch" means Fitch Ratings and its successors and assigns.

"Government Certificates" mean certificates representing ownership of Government Obligations or coupons for accrued periods of interest thereon, which Government Obligations or coupons are held by a bank or trust company, organized and existing under the laws of the United States of America or any of its states acceptable to the Trustee, in the capacity of custodian independent of the seller of the certificates.

"Government Obligations" means bonds, notes or other direct obligations of the United States of America and securities unconditionally guaranteed as to timely payment by the United States of America or any agency thereof, and to which the full faith and credit of the United States of America has been pledged.

"Lease Term" means the duration of the leasehold estate created by the Financing Lease.

"Leased Premises" means the real estate and improvements thereon leased to the Authority under the Lease, which consists of the real estate and improvements commonly referred to as the courthouse.

"Lessee" means the County.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns.

"Net Proceeds" means the gross proceeds of any recovery on any insurance policy or alternative arrangement or substitute arrangement (including but not limited to any recovery on any policy of title insurance) or condemnation or eminent domain award remaining after payment of attorneys' fees, fees and expenses of the Trustee (including fees and expenses of its counsel) and other expenses incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time as to the Leased Premises, (1) liens for ad valorem taxes and special assessments not then delinquent, (2) liens or taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the Authority or the Lessee has set aside adequate reserves for payment, unless, as a result of the lien, the Leased Premises or the Authority's interest in it may be in danger of being lost or forfeited, (3) any security interest or other liens created by the Financing Lease, the Lease, the Indenture, the Leasehold Deed of Trust, the Assignment of Rents and Leases or any Supplemental Indenture, (4) mechanics' and materialmen's liens incident to the construction, improvement or maintenance of the Leased Premises which are being contested in good faith and have not proceeded to judgment, provided the Authority, or the Lessee have set aside adequate reserves for payment, (5) restrictions and mineral rights and easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, (6) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the Lessee similar in character to the Leased Premises and as will not, in the Opinion of Counsel, impair the intended use of the Leased Premises, (7) present or future valid zoning laws and ordinances, and (8) any other exceptions described in Exhibit A to the Financing Lease.

"Project Additions" means any additions, enlargements, improvements, expansions, repairs, restorations, reconstructions or equipping or furnishing of the Financed Projects, including the Leased Premises.

"Rating Agency" means Moody's, S&P or Fitch. If any Rating Agency ceases to act as a securities rating agency, the Authority may appoint any nationally recognized securities rating agency as a replacement with written notice to the Trustee.

"Real Estate" means the parcels of real property constituting a part of the Leased Premises, as described in Exhibit A to the Financing Lease and the improvements now and hereinafter existing thereon.

"Rental Payments" means the sum of the Basic Rent and the Additional Rent.

"Revenues" means all revenues, rents and other amounts received by, or on behalf of, the Authority from or in connection with the ownership, sale or leasing of the Leased Premises, including without limitation (1) all revenues received by the Authority under the Financing Lease (except payments of the fees and expenses incurred by or on behalf of the Trustee, the trustees under the Leasehold Deed of Trust and the Authority), (2) the proceeds of any condemnation award or insurance recovery (including, without limitation, any recovery on any title insurance policy) resulting from loss, destruction or damage to any of the Leased Premises, and (3) any other amounts pledged to the payment of the Bonds under the terms of the Indenture.

"S&P" means S&P Global Ratings and its successors and assigns.

"Supplemental Indenture" means any indenture supplemental to the Indenture, which is duly executed and delivered in accordance with the provisions of the Indenture.

The Indenture

Establishment of Funds and Accounts. The following funds are established under the Indenture:

- (1) Project Fund;
- (2) Refunding Fund; and
- (3) Bond Fund.

Pledge of Revenues and Funds. All Revenues and all money in the Project Fund and the Bond Fund are trust funds and are pledged to the payment of the principal of, premium, if any, and interest on the Bonds, subject only to the right of the Authority to apply them to other purposes as provided in the Indenture. The lien and trust created by the Indenture are for the equal and ratable benefit of the owners of the Bonds and any Additional Bonds until all the Bonds have been paid.

Bond Fund. The Trustee will deposit in the Bond Fund (1) all Rental Payments received by the Trustee under the Financing Lease (excluding Additional Rent), (2) all prepayments made under the Financing Lease, (3) the Net Proceeds that will be used to prepay the Series 2022 Bonds, (4) any amounts transferred from the Project Fund under the Indenture and (5) any other amounts authorized to be deposited in the Bond Fund under the Indenture. Each deposit of money described in (2), (3) and (4) of the preceding sentence will be into a separate special account in the Bond Fund and used at the County's direction (A) to redeem Bonds, or (B) in such other manner as permitted under the Indenture. The Trustee will pay from the Bond Fund when due the principal of and premium, if any, and interest on the Bonds then outstanding and will redeem or purchase Bonds in accordance with the redemption provisions of the Bonds and the Indenture.

The Authority will receive a credit against payments required to be made on any mandatory redemption date in an amount equal to the principal amount of any Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased under the Indenture or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least 70 days before such date, provided that the Bonds have not previously been applied as a credit against any mandatory redemption payment.

Ten calendar days before each interest or principal and interest payment date on the Bonds, the Trustee will determine if there are sufficient amounts on deposit in the Bond Fund and available for such purpose to make the next ensuing interest or principal and interest payment. If the amounts available in the Bond Fund are insufficient for such purpose, the Trustee will immediately give notice of this fact and the amount of the deficiency to the Authority and the County.

Project Fund. The Trustee will deposit in the Project Fund (1) a portion of the proceeds of each series of Bonds as provided for in the Indenture, (2) any amounts it receives under the Financing Lease as the Net Proceeds of any condemnation award or insurance recovery which will be used to repair, reconstruct or restore the Leased Premises and (3) any amounts from Additional Bonds issued to pay Costs of any Additional Projects or Project Additions. The Trustee will use money in the Project Fund (1) that are proceeds of the Series 2022 Bonds solely to pay the Costs of financing the Financed Projects and to pay the Cost of Issuance (2) that are Net Proceeds solely to pay the costs of repairing, reconstructing or restoring all or any portion of the Leased Premises or (3) that are proceeds of any Additional Bonds solely to pay the Costs of any Additional Projects or Project Additions. The Trustee will make payments from the Project Fund upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. Any balance remaining in the Project Fund after payment of the Costs of Issuance and Costs of Financing the Financed Projects will at the option of the County, (1) be used to pay any permitted costs under the Act, (2) be deposited in a special account created in the Bond Fund to purchase or redeem Bonds in accordance with the Indenture or (3) if the County delivers to the Trustee an opinion of Bond Counsel to the effect that the exclusion of interest from gross income for purposes of federal income taxation on any Bonds will not be adversely affected, to pay principal of the Bonds provided, however, that the excess money will either be used before the expiration of the applicable temporary period under Section 148 of the Code during which the excess money may be invested at an unrestricted yield or will be invested at a restricted yield in order to comply with any yield limitations imposed by the Code.

Additional Bonds. The Authority may not issue any bonds or other evidence of indebtedness equally and ratably secured with the Bonds, except for Additional Bonds issued under any Supplemental Indenture, which will be secured equally and ratably by the pledge of the Revenues securing the Bonds. The Authority may not incur any new indebtedness secured by a pledge of Revenues superior to the pledge securing the Bonds. The Authority may issue one or more series of Additional Bonds, upon compliance with the terms of the Indenture, for the following purposes: (1) to finance Additional Projects; (2) to finance Project Additions; and (3) to refund any of the Bonds or Additional Bonds.

The Indenture requires that the Authority deliver to the Trustee the following items, among other things, in order to issue Additional Bonds: (1) an original executed counterpart of a Supplemental Indenture providing for the issuance of the Additional Bonds, (2) an original executed counterpart of an amendment to the Financing Lease increasing the payments due thereunder to provide for the payment of principal of and premium, if any, and interest on the Additional Bonds and original executed counterparts of the amendments to the Leasehold Deed of Trust and Assignment of Rents and Leases, acknowledging the issuance of the Additional Bonds to be secured thereby, (3) a

certified copy of a resolution of the Authority authorizing the execution and delivery of the Supplemental Indenture and amendment to the Financing Lease and the issuance, sale, execution and delivery of the Additional Bonds, (4) a certified copy of a resolution of the Board of Supervisors of the County authorizing the execution and delivery of the amendment to the Financing Lease, (5) a certificate of the Authority stating that no event of default under the Indenture has occurred, and (6) the opinions of Counsel and Bond Counsel as described in the Indenture.

Investments. Any money held under the Indenture will be separately invested and reinvested in accordance with the provisions of the Indenture.

All investments will be held by or under the control of the Trustee and while so held will be deemed a part of the fund in which such money was originally held. The Trustee will sell and reduce to cash a sufficient amount of investments whenever the cash balance in any fund or account is insufficient for its purposes.

Events of Default and Remedies. Each of the following is an Event of Default under the Indenture: (1) payment of interest on any Bond is not made when due, (2) payment of principal of or premium, if any, on any Bond is not made when due, (3) default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Indenture or the Bonds, subject to certain rights of the Authority to notice and an opportunity to cure, (4) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Revenues and other funds of the Authority pledged under the Indenture, or approval by a court of competent jurisdiction of any petition for reorganization of the Authority or rearrangement or readjustment of the obligations of the Authority under provisions of any applicable bankruptcy or insolvency law, and (5) the occurrence and continuation of any event of default under the Financing Lease.

Remedies; Rights of Bondholders. Upon the occurrence and continuation of an Event of Default, the Trustee may, and if required by the owners of 25% in principal amount of Bonds outstanding will, by notice to the Authority and the County, declare the entire unpaid principal of and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and interest on the Bonds will be immediately due and payable. Upon any such declaration, the Authority will immediately pay to the owners of the Bonds the entire unpaid principal of and accrued interest on the Bonds, but only from Revenues pledged to such payment.

Upon the happening and continuance of an Event of Default, the Trustee may, with or without the action described in the preceding paragraph, pursue any available remedy, at law or in equity, to enforce the payment of the principal of and interest on the Bonds, to enforce any covenant or condition under the Financing Lease or the Indenture, or to remedy any Event of Default.

In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Indenture, no Owner of any of the Series 2022 Bonds has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or any remedy under the Indenture or the Series 2022 Bonds, unless (i) the Owner previously has given to the Trustee written notice of an Event of Default; (ii) the Owners of a majority in aggregate principal amount of the Series 2022 Bonds then Outstanding also have made written request of the Trustee to institute any such suit, action, proceeding or other remedy, after the right to exercise such powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred; and (iv) the Trustee has not complied with the request within a reasonable time.

Subject to limitations set forth in the Indenture, the Trustee may waive any Event of Default under the Indenture or any action taken resulting from such Event of Default and will do so on the request of the owners of a majority in aggregate principal amount of Bonds then outstanding. However, no waiver will extend to any subsequent or other default or impair any right resulting from it.

Discharge of Indenture. If (i) all Bonds secured by the Indenture have become due and payable or irrevocable instructions to redeem the Series 2022 Bonds or pay them at maturity have been given by the Authority to the Trustee (or an escrow agent acceptable to the Trustee), and (ii) the Trustee (or an escrow agent acceptable to the Trustee) holds cash or noncallable Government Obligations, Government Certificates or Defeased Municipal Obligations, the

principal of and interest on which at maturity will be sufficient (A) if Bonds have been called for redemption, to redeem in accordance with the relevant Sections of the Indenture all the Series 2022 Bonds on the date set for the redemption, (B) to pay at maturity all Outstanding Bonds or, if a portion of the Series 2022 Bonds has been called for redemption, all Outstanding Bonds not called for redemption, (C) to pay interest accruing on all Bonds until their redemption or payment at maturity, and (D) to pay the Trustee its reasonable fees and expenses and any other fees and expenses, including the costs and expenses of canceling and discharging the Indenture, or provide for such payment in a manner satisfactory to the Trustee, the Trustee will cancel and discharge the lien of the Indenture.

Bonds Deemed to be Paid. Bonds will be deemed paid and no longer outstanding under the Indenture when there has been deposited with the Trustee cash or noncallable Governmental Obligations, Government Certificates or Defeased Municipal Obligations, the principal of and interest on which will be sufficient to pay or redeem the Bonds; provided, however, that if the Bonds are to be redeemed before their maturity, notice of redemption must have been given to the Trustee.

Supplemental Indentures. Any provision of the Indenture may be modified or altered by the Authority and the Trustee, with the consent of the County, by a Supplemental Indenture, upon consent of the owners of a majority in aggregate principal amount of Bonds outstanding, or, if less than all of the Bonds then outstanding are affected by the modification or amendments, of the owners of a majority in aggregate principal amount of the Bonds so affected then outstanding, provided that certain amendments affecting the terms of the Bonds and their security may be made only with the consent of all owners affected.

In addition, the Authority and the Trustee, upon the Trustee's receipt of the opinion of Counsel required by the Indenture and with the consent of the County, may enter into supplemental indentures without the consent of owners of the Bonds, (1) to cure any ambiguity, defect, inconsistency or omission in the Indenture; (2) to grant to or confer upon the Trustee for the benefit of the bondholders any additional collateral or additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the bondholders or the Trustee; (3) to add to the covenants and agreements of the Authority in the Indenture other covenants and agreements to be observed by the Authority or to surrender any right or power conferred upon the Authority by the Indenture; (4) to modify, amend or supplement the Indenture or the Bonds in such manner as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under any state securities (Blue Sky) law; (5) to make any modifications or changes necessary or appropriate to issue Additional Bonds; (6) to obtain, maintain or enhance a credit rating for the Bonds; (7) to provide for certificated Bonds; (8) to evidence a successor Trustee or to appoint a Co-Trustee; or (9) to make any other change which, in the Opinion of Counsel, will not materially adversely affect the rights of the owners of the Bonds then outstanding.

Amendment of Lease, Financing Lease, Leasehold Deed of Trust or Assignment of Rents and Leases. With the consent of the County, the Authority and the Trustee may, without the consent of or notice to the owners of the Bonds outstanding, consent to any amendment, change or modification of the Lease, the Financing Lease, the Leasehold Deed of Trust or the Assignment of Rents and Leases, as may be required (1) by the terms of the Lease, the Financing Lease, the Leasehold Deed of Trust, the Assignment of Rents and Leases or the Indenture, (2) to cure any ambiguity, formal defect or omission in the Lease, the Financing Lease, the Leasehold Deed of Trust or the Assignment of Rents and Leases, (3) to subject to the Indenture additional revenues, properties or collateral, (4) in connection with the issuance and sale of Additional Bonds to provide for the payment of the principal of, premium, if any, and interest on the Additional Bonds, and such other changes as will not, in the Opinion of Counsel, materially adversely affect the rights of the owners of the Bonds then outstanding, or (5) in connection with any other change in the Lease, the Financing Lease, the Leasehold Deed of Trust or the Assignment of Rents and Leases, which, in the Opinion of Counsel, will not materially adversely affect the rights of the owners of the Bonds then outstanding.

Except as otherwise provided, neither the Authority nor the Trustee will consent to any amendment, change or modification of the Lease, the Financing Lease, the Leasehold Deed of Trust or the Assignment of Rents and Leases, without the consent of the owners of a majority in aggregate principal amount of Bonds outstanding, or, if less than all of the Bonds then outstanding are affected by the modification, change or amendments, the owners of a majority in aggregate principal amount of the Bonds so affected then outstanding.

The Lease

The County has entered into the Original Lease with the Authority, and the First Amendment to Lease will become effective upon the issuance of the Series 2022 Bonds. Under the Lease, the County leases the Leased Premises to the Authority. The term of the Lease commenced on March 2, 2021, the day the Series 2021 Bonds were issued, and ends on _____, 20__, unless sooner terminated or relinquished as provided therein. In the event the County makes all of the Rental Payments required under the Financing Lease, the Lease shall terminate and the Authority shall have no interest in the Leased Premises.

The Financing Lease

Agreement to Lease Certain Projects. The Authority leases to the Lessee the Leased Premises under the Financing Lease. The Lessee will be deemed to have acquired all of the Authority's interest in the Leased Premises after all payments due under the Financing Lease have been made.

The Financing Lease is a net lease, and, during its term, the County will pay, subject to annual appropriation, the Rental Payments and all other amounts required to be paid under it, without deduction, diminution or set-off or abatement for casualty, loss of title, condemnation or any other reason.

Term of Financing Lease. The term of the Financing Lease commenced on March 2, 2021, the day the Series 2021 Bonds were issued, and will terminate, unless sooner terminated as provided by the Financing Lease terms, on the earlier of _____, 20__ (provided that all Rental Payments due under the Financing Lease have been paid on such date), or payment in full of the Bonds.

Payment of Rental Payments. The County has agreed to pay as Basic Rent on each May 15 and November 15, the amount which, together with other money then available in the Bond Fund, will equal the principal of, premium, if any, and interest due on the next ensuing interest or principal and interest payment date on the Bonds.

As Additional Rent, the County will pay (1) the Trustee's fees and expenses, (2) any administrative expenses owed to the Authority or the Deed of Trust Trustee, and (3) any amounts required to be paid to the United States for arbitrage rebate under Section 148(f) of the Code with respect to the Bonds.

So long as the County has paid all amounts due as Basic Rent and Additional Rent, it may make prepayments of Basic Rent at any time on or after the first date on which the Bonds may be called pursuant to optional redemption. Each prepayment will be in an amount not less than the principal amount of Bonds to be called for optional redemption, plus any premium and accrued interest to the optional redemption date. The County will give the Authority and the Trustee written notice of its intention to make such prepayments at least 45 days before the date on which redemption of the Bonds is to occur. Prepayments will be applied under the optional redemption provisions of the Indenture.

Nature of the Lessee's Obligations. The County's obligation to pay Rental Payments and otherwise to perform its obligations under the Financing Lease are absolute and unconditional, subject, however, to annual appropriation by the Board of Supervisors of the County of amounts to be paid under the Financing Lease. The Board of Supervisors has directed the County Administrator (or other officer charged with preparing the County budget) to include in the budget for each fiscal year of the County during the term of the Financing Lease the amount due under the Financing Lease. The County's obligation to make all payments, including Rental Payments, under the Financing Lease is dependent on and subject to annual appropriations being made by the Board of Supervisors for such purpose. While the County has undertaken certain obligations under the Financing Lease, the primary source of all payments thereunder, including Rental Payments, shall be from such annual appropriations by the County.

Operation and Maintenance of the Leased Premises. The Lessee will maintain the Leased Premises in good repair and operating condition. The Authority will not be required to rebuild or make any repairs to the Leased Premises. The Lessee may make any additions, enlargements, improvements and expansions to, or repairs, reconstruction and restoration of, the Leased Premises as will not adversely affect the value of such Leased Premises or the structural integrity of any building or other structure forming a part of the Leased Premises. The Lessee will pay when due all taxes, utility charges and governmental charges against the Leased Premises, subject to the right to

contest such charges in certain circumstances and if it posts with the Trustee a bond in form and amount satisfactory to the Authority and the Trustee.

Insurance. Except as otherwise provided in the Financing Lease, the Lessee will provide the following insurance coverage (for which self-insurance may be provided as set forth in the Indenture): (1) in the amount of the greater of the full replacement cost of the Leased Premises against the risk of loss of or damage to the Leased Premises or the par amount of the outstanding Bonds; (2) insurance against liability for bodily injury, including death resulting therefrom, and against liability for damage to property, arising out of the ownership, maintenance or use of the Leased Premises; and (3) unless the Lessee qualifies as a self-insurer under the laws of Virginia, workmen's compensation insurance with respect to the Leased Premises.

The Lessee is required to have an annual review of its insurance coverage with respect to the Leased Premises. Such review shall indicate that the insurance meets the requirements of the Financing Lease or specify such additional insurance coverage as may be required to comply with the Financing Lease.

Disposition of Leased Premises; Easements. Except for easements otherwise permitted under the Financing Lease, the Lessee may not dispose of any interest in the Leased Premises unless it delivers to the Authority and the Trustee (1) a certificate from its representatives authorized under the Financing Lease (such as the County Administrator or Chief Financial Officer) stating that any proceeds from the disposition will be (a) applied to the purchase of additional real or personal property to become part of such Leased Premises or (b) deposited with the Trustee in the Bond Fund and (2) a certificate to the effect that the disposition will not adversely affect the usefulness of such Leased Premises or any part of it for its intended use or impair necessary access to or operation of the Leased Premises.

At the request of the Lessee, if the Lessee is not in default under the Financing Lease, the Authority will grant such easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Leased Premises, free from the lien of the Lease, the Financing Lease and the Leasehold Deed of Trust, or release existing easements, licenses, rights-of-way and other rights or privileges, with or without consideration, provided that the requesting party meets certain conditions set forth in the Financing Lease.

Damage, Destruction or Condemnation. In the case of damage, destruction or loss of all or any portion of the Leased Premises during the Lease Term as a result of fire or other casualty or condemnation or loss of title, the Lessee will apply the Net Proceeds of any insurance recovery, title insurance proceeds or condemnation award to the repair, reconstruction or restoration of the Leased Premises, except as set forth in the Financing Lease. If the Lessee determines in good faith that the cost of repair, reconstruction or restoration is not in excess of \$250,000, the Lessee will retain the Net Proceeds and promptly repair, reconstruct and restore the Leased Premises to substantially the same condition as before the damage, destruction, loss of title or condemnation. If the cost of repairing, reconstructing and restoring the Leased Premises is determined by the Lessee in good faith to exceed \$250,000, the Lessee will pay the Net Proceeds to the Trustee. The Trustee will hold the Net Proceeds in the Project Fund to be disbursed to promptly repair, reconstruct and restore the Leased Premises to substantially the same condition as before the damage, destruction, loss of title or condemnation. If the Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the County, subject to appropriation, will pay any excess costs and will not be entitled to reimbursement from the Authority or the Trustee or any abatement or diminution of the Rental Payments.

Under the Financing Lease, the County has the option to apply the Net Proceeds of any insurance recovery, title insurance proceeds or condemnation award to the prepayment of Basic Rent to be applied to the extraordinary optional redemption of the Bonds in whole, but only under circumstances involving the damage, destruction or loss of all or substantially all of the Leased Premises. Any Net Proceeds which the County elects to apply to prepayment of Basic Rent shall be paid to the Trustee and deposited in the Bond Fund. If the County elects to prepay the Basic Rent in whole and the Net Proceeds are insufficient for such purposes, the County will, subject to appropriation, pay to the Trustee, for deposit in the Bond Fund, any amounts necessary to prepay all payments of Basic Rent.

Right of Inspection. The Authority and the Trustee will have such rights of access to the Leased Premises as may be reasonably necessary for the maintenance of the Leased Premises, in the event the Lessee fails to perform their obligations under the Financing Lease to maintain the Leased Premises. The Authority and the Trustee have the

right to enter upon, examine and inspect the Leased Premises, and to examine the Lessee's records with respect to the operations and maintenance of the Leased Premises.

Covenant with respect to Tax-Exempt Status of Bonds. The Lessee has covenanted not to take any action with respect to the Leased Premises which will adversely affect the exclusion of interest from gross income for purposes of federal income taxation. The County will, subject to appropriation, pay, on behalf of the Authority, the rebate amount due under Section 148 of the Code and will determine such amount, retaining records of such determination.

Subletting. The Lessee may sublease space in the Leased Premises after receipt of an opinion of Bond Counsel that any such sublease will not cause the interest on any Bonds then outstanding to be included in gross income. Otherwise, the Lessee may not dispose of or otherwise encumber its interest in the Leased Premises (except for certain easements permitted under the Financing Lease).

Events of Default. Events of Default under the Financing Lease include (1) failure by the County to pay Basic Rent (unless the default occurs as a result of the failure of the County to appropriate amounts due under the Financing Lease or the Indenture, in which case the provisions of the paragraph below entitled "Non-appropriation" are applicable), (2) failure by the County to pay any other amount due under the Financing Lease, which failure continues more than 30 days after notice thereof, (unless the default occurs as a result of the failure of the County to appropriate amounts due under the Financing Lease or the Indenture, in which case the provisions of the paragraph below entitled "Non-appropriation" are applicable), (3) failure by the Lessee to observe and perform any of its covenants, conditions or agreements in the Financing Lease, which failure continues more than 30 days after notice, and (4) the entering of an order or decree appointing a receiver for all or any part of the Leased Premises or the revenues from the Leased Premises with the consent the Lessee, or, if such entry is without the Lessee's consent, if it is not vacated, discharged or stayed within 90 days of its entry.

A failure by the County to pay any amount due under the Financing Lease or perform any covenant, condition or agreement, resulting from a failure by the Board to appropriate funds for such purposes, will not be an Event of Default under the Financing Lease. Instead, the provisions set forth under "Non-appropriation" below will apply.

Remedies. If an Event of Default occurs, the Authority may take remedial action, provided such actions are consistent with the Act and the Indenture. Remedies available to the Authority are as follows: (1) the Authority may re-enter and take possession of all or any part of the Leased Premises without terminating the Financing Lease, exclude the Lessee from possession and maintain any subleases then in effect, holding the County liable for any difference in rentals; (2) the Authority may terminate the Financing Lease, exclude the Lessee from the Leased Premises, and lease all or any portion of the Leased Premises for the account of the County to one or more parties, holding the County liable for any difference in rentals; (3) the Authority may have access to and inspect the Lessee's records pertaining to the Leased Premises; and (4) the Authority may take whatever action at law or in equity may appear necessary or desirable to collect payments then due or to become due, or to enforce performance and observance of any obligation or agreement of the Lessee.

The County may reinstate the Financing Lease upon certain conditions, including the payment of all arrears in respect of the Bonds (except those Bonds due and payable by acceleration).

Non-Appropriation. If the Board of Supervisors of the County fails to appropriate funds for amounts due under the Financing Lease or the Lessee cannot observe and perform any covenant or agreement as a result of such non-appropriation, the Authority, or the Trustee on behalf of the Authority, may then exclude the Lessee from possession, with or without terminating the Financing Lease and lease all or any portion of the Leased Premises, applying the proceeds in accordance with the Indenture or exercise any other remedy set forth above in connection with an Event of Default. The County may reinstate the Financing Lease upon satisfaction of certain conditions.

The Leasehold Deed of Trust

Under the Leasehold Deed of Trust, the Authority granted a Leasehold Deed of Trust on and security interest in its leasehold interest in the Leased Premises to secure the payment of all amounts due under the Bonds. The rights

of the Lessee under the Financing Lease are subordinate to the Leasehold Deed of Trust. Upon the occurrence and continuation of an event of default under the Indenture or the Financing Lease, the Trustee may exercise the remedies set forth in the Leasehold Deed of Trust, including foreclosing on the Authority's leasehold interest in the Leased Premises under the Leasehold Deed of Trust.

The Assignment of Rents and Leases

Under the Assignment of Rents and Leases, the Authority assigned to the Trustee, for the benefit of the owners of the Bonds, all of its rights under the Financing Lease (except for certain rights to indemnification and payment of expenses). The rights assigned to the Trustee under the Assignment of Rents and Leases include, without limitation, the right to receive Rental Payments from the County and the right to exercise remedies upon default by the Lessee.

INVESTMENT CONSIDERATIONS

The following is a list of factors that should be considered in connection with the purchase of Bonds.

Source of Payments

The Series 2022 Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Authority under the Financing Lease. The ability of the Authority to make timely payments of principal, premium, if any, and interest on the Series 2022 Bonds depends solely on the ability of the County to make timely payments under the Financing Lease. The obligation of the County to make payments under the Financing Lease is subject to and dependent upon amounts being lawfully appropriated from time to time by the Board of Supervisors of the County. The obligation of the County to make payments under the Financing Lease is not a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or the taxing power of the County.

Non-Appropriation, Default and Remedies

Under the Financing Lease, in the event that funds appropriated and budgeted by the Board of Supervisors for the payment of its obligations under the Financing Lease are insufficient to make the required payments thereunder, the Trustee may terminate the Financing Lease without penalty. In the event that the Board of Supervisors defaults or fails to make payments under the Financing Lease, the Trustee as assignee of the Authority may take possession of and re-lease only those portions of the Financed Projects constituting the Leased Premises. There is no assurance that re-leasing all or any portion of the Leased Premises will generate sufficient revenues to pay principal of and interest on the Series 2022 Bonds. The remedy of re-leasing the Leased Premises may be impractical to exercise.

In the event that the Trustee exercises its rights under the Leasehold Deed of Trust resulting from an event of default, there is no assurance that the Trustee would be able to assume the management of the Leased Premises in a manner which would allow the generation of sufficient revenues to pay principal of and interest on the Series 2022 Bonds. There are a number of factors which may interfere with the Trustee's ability to take possession of and operate the Leased Premises, including the need to transfer certain permits or to obtain regulatory approvals.

Taxation of Payments on the Bonds

An opinion of Bond Counsel will be obtained to the effect that, subject to the conditions stated therein, interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code. However, to the extent that the County is removed from possession of the Leased Premises, as a result of an Event of Default under the Indenture or the Financing Lease or an event of non-appropriation by the Board of Supervisors, as described above, and all or some of the Leased Premises is leased by the Trustee to non-governmental entities or otherwise cease to be used for governmental purposes, interest on the Series 2022 Bonds may not be excludable thereafter or retroactive to the date of issuance of the Series 2022 Bonds from gross income for purposes of federal income taxation and may be includable in computing income tax under the laws of the Commonwealth.

Judicial Control

The Commonwealth requires by statute that every county provide, at its expense, courthouses with suitable space and facilities to accommodate the various courts – including their staff and support facilities – serving such county. At the same time, under Virginia law, judges have control of that portion of any building provided by such county for their use as a courthouse. In addition, the location of courthouse facilities to be used for public trials can be changed under Virginia law only upon reasonable notice given both to parties to litigation and the general population. Such limitations may delay the remedy of the trustees to take possession of the Leased Premises upon an event of default or upon an event of non-appropriation with respect to the Bonds.

Limited Lease Value of the County's Leased Premises

The remedy of re-letting the County's Leased Premises may be impractical to exercise, in particular because the facilities are specifically designed for use as a courthouse for County governmental use. The number of entities that could be expected to re-let the County's Leased Premises in an event of default is extremely limited, and thus the ability of the Trustee to realize funds for the benefit of bondholders from the re-letting of such facilities upon an event of default or an event of non-appropriation will be limited.

Cybersecurity

LITIGATION

No litigation is pending or, to the best of the knowledge of the Authority or the County, threatened against the Authority or the County (1) to restrain or enjoin the issuance, sale or delivery of the Series 2022 Bonds, or the application of proceeds of the Series 2022 Bonds as provided in the Indenture and the Financing Lease or the collection of revenues pledged under the Indenture or (2) in any way contesting or affecting any authority for the issuance or validity of the Series 2022 Bonds or the validity of the Indenture, the Financing Lease, the Lease, the Assignment of Rents and Leases or the Leasehold Deed of Trust.

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion regarding the Series 2022 Bonds will state that, under current law and assuming the compliance with the Covenants, as hereinafter defined, by the County and certain other persons and entities, interest on the Series 2022 Bonds (i) is excludable from the gross income of the owners of the Series 2022 Bonds for purposes of federal income taxation under Section 103 of the Code, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax. See Appendix C for the form of the opinion of Bond Counsel for the Series 2022 Bonds.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Series 2022 Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Series 2022 Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). The Authority and the County have covenanted, however, to comply with the requirements of the Code.

Reliance and Assumptions; Effect of Certain Changes

As to questions of fact material to its opinion, Bond Counsel is relying upon and assuming the accuracy of certifications and representations of the Authority, the County, public officials and certain other third parties, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (herein defined) by the Authority, the County and certain other persons and entities. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2022 Bonds in order for interest on the Series 2022 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2022 Bonds and the use of the property financed or refinanced by the Series 2022 Bonds, limitations on the source of the payment of and the security for the Series 2022 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2022 Bonds to the Treasury. Prior to the issuance of the Series 2022 Bonds, the Authority and the County will enter into a tax certificate and related documents for the Series 2022 Bonds (collectively, the "Tax Certificates") that contains covenants regarding such requirements (the "Covenants") under which the Authority and the County have agreed to comply with such requirements. A failure to comply with the Covenants could cause interest on the Series 2022 Bonds to become includible in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2022 Bonds from becoming includible in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2022 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificates, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Series 2022 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2022 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of such Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Series 2022 Bonds.

Prospective purchasers of the Series 2022 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Series 2022 Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of such Premium Bond.

Possible Legislative or Regulatory Action

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2022 Bonds, the IRS will, under its current procedures, treat the Authority as the taxpayer. As such, the beneficial owners of the Series 2022 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Series 2022 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Series 2022 Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes. The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2022 Bonds, regulatory interpretation of the Code or actions by a court involving either the Series 2022 Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2022 Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Series 2022 Bonds.

Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – Commonwealth of Virginia Income Tax Consequences

Bond Counsel's opinion also will state that, under current law, interest on the Series 2022 Bonds is excludable from the gross income of the owners thereof for purposes of income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Series 2022 Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Series 2022 Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding the tax status of interest on the Series 2022 Bonds in a particular state or local jurisdiction other than the Commonwealth.

INDEPENDENT AUDITORS

The combined financial statements as of June 30, 2021, and for the fiscal year then ended, included in **APPENDIX B** to this Official Statement, have been audited by Creedle, Jones & Associates, P.C., independent auditors, as stated in their report appearing in **APPENDIX B** to this Official Statement. A summary of the statements of the financial position and statements of activities of the County as of and for each of the five fiscal years ended June 30, 2017, through 2021 is included in **APPENDIX A** to this Official Statement. Creedle, Jones & Associates, P.C., has not been engaged to perform and has not performed, since the date of their report included herein, any procedures on the financial statements addressed in that report. Creedle, Jones & Associates, P.C. also has not performed any procedures relating to this Official Statement. No comfort letter or agreed upon procedures letter from Creedle, Jones & Associates, P.C. as to any of the selected financial information for the County included in **APPENDIX A** has been requested.

FINANCIAL ADVISOR

Davenport & Company LLC ("Davenport") is employed as a financial advisor to the County in connection with the issuance of the Series 2022 Bonds. The financial advisor's fee for services rendered with respect to the sale of the Series 2022 Bonds is contingent upon the issuance and delivery of the Series 2022 Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the Series 2022 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the County, has provided the following sentence for inclusion in this Official Statement. Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

APPROVAL OF LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2022 Bonds will be subject to the approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the County upon delivery of the Series 2022 Bonds, in substantially the form set forth in Appendix C (the "Bond Opinion"). The Bond Opinion will be limited to matters relating to authorization and validity of the Series 2022 Bonds and to the tax-exempt status of interest thereon as described in the section "**TAX MATTERS.**" Bond Counsel has not been engaged to investigate the financial resources of the County or its ability to provide for payment of the Series 2022 Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the Series 2022 Bonds. Certain legal matters will be passed on for the Authority by McGuireWoods LLP, Richmond, Virginia and for the County by the County Attorney.

UNDERWRITING AND SALE AT COMPETITIVE BIDDING

The Series 2022 Bonds will be offered at competitive bidding on _____, 2022.* After the Series 2022 Bonds have been awarded, the Authority will issue an Official Statement in final form to be dated the sale date. The Authority will deem the Official Statement in final form as of its date, and it will be a "Final Official Statement" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. The Official Statement in final form will include, among other matters, the identity of the winning bidder for the Series 2022 Bonds (the "Underwriter"), expected selling compensation to the Underwriter and other information on the interest rates and offering prices or yields of the Series 2022 Bonds, all as supplied by such Underwriter. See **APPENDIX F – FORM OF NOTICE OF SALE.**

* Preliminary, subject to change.

CERTIFICATE REGARDING OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2022 Bonds, the County Administrator will certify that, to the best of his knowledge the final Official Statement did not as of its date, and does not as of the date of delivery of the Series 2022 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading and the County Attorney will certify that to the best of his knowledge no litigation is pending or threatened against the County (A) to restrain or enjoin the issuance or delivery of any of the Series 2022 Bonds, (B) in any way contesting or affecting any authority for the County undertaking its obligations related to the Series 2022 Bonds or (C) in any way contesting the existence or powers of the County. Such certificate will also state, however, that such officials did not independently verify the information in the final Official Statement from sources other than the County, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

LEGALITY OF THE BONDS FOR INVESTMENT

The Act provides that bonds issued by the Authority under the Act are securities in which all public officers and public bodies of the Commonwealth and its governmental subdivisions, all insurance companies, trust companies, banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The Act further provides that bonds issued by the Authority under the Act are securities which may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or governmental subdivision of the Commonwealth for any purposes for which the deposit of bonds or obligations is now or may hereafter be authorized by law.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have given the Series 2022 Bonds the ratings of "___" and "___," respectively.

The ratings are not a recommendation to buy, sell or hold the Series 2022 Bonds. The ratings are subject to review and change or withdrawal at any time if, in the judgment of Moody's or S&P, as appropriate, circumstances so warrant. There is no assurance that any such rating will continue for any period of time or that it will not be revised or withdrawn. A downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2022 Bonds.

CONTINUING DISCLOSURE

The County has undertaken in a continuing disclosure agreement (the form of which is attached as Appendix D) to provide to the Municipal Securities Rulemaking Board certain annual financial information and operating data and notice of the events listed in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule").

The County may from time to time disclose certain information and data in addition to that required by the continuing disclosure undertaking. If the County chooses to provide any additional information, the County shall have no obligation to update such information or to include it in any future filing. The County may amend the undertaking; provided that the amendment complies with the Rule at the time the undertaking is amended.

[[[In the course of reviewing its prior continuing disclosure undertakings, the County became aware that it filed its annual financial information and operating data for the County's fiscal year 2016 approximately 29 days late, on January 25, 2017, and that the County failed to file a notice of the County's failure to provide such annual financial information and operating data by the date specified in its continuing disclosure undertakings. The County has recently

filed a notice of such late filing. Except as described in this paragraph, the County has complied in all material respects with its prior continuing disclosure undertakings during the previous five years.]]]

RELATIONSHIP OF PARTIES

McGuireWoods LLP, Richmond, Virginia, Bond Counsel for the Series 2022 Bonds, is also serving as counsel to the Authority in connection with the issuance of the Series 2022 Bonds. McGuireWoods also represents Davenport & Company LLC, Financial Advisor, and the Trustee in certain unrelated matters.

MISCELLANEOUS

The references herein to the Act and the financing documents are merely brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is hereby made to all such documents for the complete terms thereof. Copies of the Financing Lease, the Lease, the Assignment of Rents and Leases, the Leasehold Deed of Trust and the Indenture are on file with the County Administrator.

The distribution of this Preliminary Official Statement has been authorized by the Authority. Financial and other information contained in this Preliminary Official Statement has been prepared by the County from its records, except where other sources are noted. The information is not intended to indicate future or continuing trends in the financial or economic position of the County.

None of the quotations from, and summaries and explanations of, laws contained in this Preliminary Official Statement purport to be complete, and reference is made to said laws for full and complete statements of their provisions. This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change.

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
Chairman

Approved:

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
County Administrator

APPENDIX A
SOUTHAMPTON COUNTY, VIRGINIA

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY OF SOUTHAMPTON, VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2022 Bonds, payments of principal of and premium, if any, and interest on the Series 2022 Bonds to DTC, its nominee, Direct and Indirect Participants, as defined below, or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2022 Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC.

The DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2022 Bonds and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (the "DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults' and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2022 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and premium, if any, and interest payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the paying agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority and the Trustee or the paying agent, as applicable, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2022 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2022 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The Authority and the Trustee have no responsibility or obligation to the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to: (a) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (b) the payment by DTC, any Direct Participant or any Indirect Participant of any amount due to any Beneficial Owner in respect to the principal of and interest on the Series 2022 Bonds; (c) the delivery or timeliness of delivery by any Direct Participant or any Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2022 Bonds to be given to owners of the Series 2022 Bonds; (d) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the Series 2022 Bonds; or (e) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owners of the Series 2022 Bonds.

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, as nominee of DTC, references in this Official Statement to Bondholders shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Bondholders of Bonds for all purposes under the Series 2022 Bonds.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2022 Bonds without the consent of Beneficial Owners or Bondholders.

APPENDIX F
NOTICE OF SALE

Prepared by:

Thomas William Bruno
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, VA 23219

Tax/Map Parcel No. 60A-1-1-17, 60A-1-1-18 and 60A-1-1-19

THIS LEASE IS EXEMPT FROM RECORDING TAXES UNDER SECTION 58.1-807 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, PURSUANT TO SECTION 58.1-811E.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "Amendment") is dated as of _____, 2022, and is between the **COUNTY OF SOUTHAMPTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), as Lessor (to be indexed as grantor), and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), as Lessee (to be indexed as grantee).

Under a Lease dated as of March 1, 2021 (the "Original Lease") and recorded among the land records of the Clerk's Office, Circuit Court of the County of Southampton, Virginia (the "Clerk's Office"), as Instrument # 210000592, the County leased certain real estate described on Exhibit A and other property (collectively, the Leased Premises (as defined in the Original Lease)) to the Authority.

The Authority and the County desire to amend the Original Lease to provide for the issuance of the Series 2022 Bonds (as defined in the hereinafter defined Financing Lease).

The amendments set forth herein are required and permitted by the Indenture (as defined in the hereinafter defined Financing Lease) in connection with the issuance of Additional Bonds (as defined in the Indenture).

AGREEMENT

NOW THEREFORE, the Authority and the County hereby agree as follows:

1. Section 3 of the Original Lease is hereby amended by deleting the reference to December 1, 2052, and replacing it with _____, 20__.
2. The terms and provisions set forth in this Amendment hereby modify and supersede all inconsistent terms and provisions set forth in the Original Lease, and except as

expressly modified and superseded by this Amendment, the terms and provisions of the Original Lease are ratified and confirmed and shall continue in full force and effect.

3. This Amendment is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

4. If any provision of this Amendment is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

5. This Amendment may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

6. The Trustee (as defined in the Financing Lease) joins in this Amendment for the sole purpose of acknowledging and agreeing to the amendment of the Original Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the date first above written, by their duly authorized representatives.

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
Chairman

ATTEST:

By: _____
Secretary

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____ and _____ as Chairman and Secretary, respectively, of the Industrial Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires: _____.

[SEAL]

Notary Public

Approved as to Form and Correctness:

Counsel to the Industrial Development Authority
of Southampton County, Virginia

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, County Attorney for Southampton County, Virginia, and counsel to the Industrial Development Authority of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
County Administrator

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022,
by _____, County Administrator, on behalf of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

ACKNOWLEDGED AND CONSENTED TO:

REGIONS BANK, as Trustee

By: _____

Its: _____

COMMONWEALTH OF VIRGINIA

[[[CITY OF RICHMOND]]], to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____ as _____ of Regions Bank, as Trustee, on behalf of the bank.

My commission expires: _____.

[SEAL]

Notary Public

EXHIBIT A

Description of Real Estate

(See Attached)

Tax Map No. 60A-1-1-17, 60A-1-1-18 and 60A-1-1-19

Tax Map 60A-1-1-17

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the North east corner of Tax Map 60A-1-1-19, an iron rod found; thence along said right-of-way the following courses and distances; along a curve turning to the right with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of North 30°05'52" West, with a chord length of 58.65'; along a line, North 28°39'58" West a distance of 101.23' to a point; thence along a line of North 28°39'58" West a distance of 287.61' to a point; thence along a curve turning to the right with an arc length of 31.96', with a radius of 1003.40', with a delta angle of 01°49'30", with a chord bearing of North 27°45'13" West, with a chord length of 31.96'; which is the point of beginning of Tax Map 60A-1-1-17; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 64°01'19" West a distance of 173.18' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction to a point, said point is the south east corner of Tax Map 60A-1-1-16 and south west corner of Tax Map 60A-1-1-17; thence departing said shoreline, along a line of North 64°14'01" East a distance of 192.42' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W); thence along said right-of-way with a curve turning to the left with an arc length of 88.78', with a radius of 1003.40', with a delta angle of 05°04'09", with a chord bearing of South 24°18'24" East, with a chord length of 88.75'; which is the point of beginning, having an area of 16,663.20 square feet (plus or minus) ,0.383 acres (plus or minus).

Tax Map 60A-1-1-18

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the north east corner of Tax Map 60A-1-1-19, an iron rod found; thence along said right-of-way the following courses and distances; along a curve turning to the right with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of North 30°05'52" West, with a chord length of 58.65'; along a line, North 28°39'58" West a distance of 101.23' to a point; which is the point of beginning of Tax Map 60A-1-1-18; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 61°08'46" West a distance of 244.46' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction, to a point, said point is the south east corner of Tax Map 60A-1-1-17 and south west corner of Tax Map 60A-1-1-18; thence departing said shoreline, along a line of North 64°01'19" East a distance of 173.18' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58,

(variable width R/W), thence along said right-of-way line, with a curve turning to the left with an arc length of 31.96', with a radius of 1003.40', with a delta angle of 01°49'30", with a chord bearing of South 27°45'13" East, with a chord length of 31.96'; thence along a line of South 28°39'58" East a distance of 287.61' to a point; which is the point of beginning, having an area of 65,840.02 square feet (plus or minus), 1.511 acres (plus or minus).

Tax Map 60A-1-1-19

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the North east corner of the subject parcel, Tax Map 60A-1-1-19, an iron rod found, which is the point of beginning of Tax Map 60A-1-1-19; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 69°03'58" West a distance of 5.59' to a point; thence with a curve turning to the left with an arc length of 0.46', with a radius of 1178.92', with a delta angle of 00°01'20", with a chord bearing of South 31°29'27" East, with a chord length of 0.46'; thence, along a line of South 64°25'25" West a distance of 299.05' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction, to a point, said point is the south east corner of Tax Map 60A-1-1-18 and south west corner of Tax Map 60A-1-1-19.

Thence departing said shoreline, along a line of North 61°08'46" East a distance of 244.46' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W); thence, along a line, on said right-of-way, South 28°39'58" East a distance of 101.23' to a point; thence with a curve turning to the left with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of South 30°05'52" East, with a chord length of 58.65', which is the point of beginning, having an area of 41,668.97 (plus or minus) square feet, 0.957 acres (plus or minus).

Prepared by:

Thomas William Bruno
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, VA 23219

Tax/Map Parcel No. 60A-1-1-17, 60A-1-1-18 and 60A-1-1-19

THIS LEASE IS EXEMPT FROM RECORDING TAXES UNDER SECTION 58.1-807 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, PURSUANT TO SECTION 58.1-811E.

**FIRST AMENDMENT
TO
FINANCING LEASE**

Between

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA
(to be indexed as grantor)**

and

**COUNTY OF SOUTHAMPTON, VIRGINIA
(to be indexed as grantee)**

dated as of

_____, 2022

FIRST AMENDMENT TO FINANCING LEASE

This FIRST AMENDMENT TO FINANCING LEASE (the "First Amendment to Financing Lease") is dated as of _____, 2022, and is between the INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority") and the COUNTY OF SOUTHAMPTON, a political subdivision of the Commonwealth of Virginia (the "County").

Under a Lease dated as of March 1, 2021 (the "Original Lease"), and recorded among the land records of the Clerk's Office, Circuit Court of the County of Southampton, Virginia (the "Clerk's Office"), as Instrument # 210000592, the County leased certain real estate described on Exhibit A and other property (collectively, the Leased Premises (as defined in the Original Lease)) to the Authority.

Under a Financing Lease dated as of March 1, 2021 (the "Original Financing Lease"), between the Authority and the County and recorded in the Clerk's Office as Instrument #210000593, the Authority leased to the County, and the County leased from the Authority, the real and personal property constituting the Leased Premises, upon the terms set forth in therein.

The Authority and the County entered into the Original Lease and the Original Financing Lease in connection with the issuance by the Authority of its \$29,980,000 Lease Revenue and Refunding Bonds (Southampton County Capital Projects), Series 2021 (the "Series 2021 Bonds"), issued on March 2, 2021, to (i) finance all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, (ii) refund certain outstanding obligations of the County and (iii) finance the costs of issuing the Series 2021 Bonds.

The Authority issued the Series 2021 Bonds pursuant to an Indenture of Trust dated as of March 1, 2021 (the "Original Indenture"), among the Authority and Regions Bank, as trustee (the "Trustee").

The Bonds (as defined in the Original Financing Lease) are additionally secured by a Leasehold Deed of Trust and Security Agreement dated as of March 1, 2021 (the "Deed of Trust") and recorded in the Clerk's Office as Instrument # 210000594 and an Assignment of Rents and Leases dated as of March 1, 2021 (the "Assignment of Rents and Leases"), between the Authority and the Trustee, recorded in the Clerk's Office as Instrument # 210000595.

The Authority, at the request of the County, has determined to issue its \$ _____ Lease Revenue Bonds (Southampton County Capital Projects), Series 2022 (the "Series 2022 Bonds") to (i) finance all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment, and (ii) finance the costs of issuing the Series 2022 Bonds.

The Authority intends to issue the Series 2022 Bonds under the Original Indenture, as supplemented by a First Supplemental Indenture of Trust dated as of _____, 2022 (the "First Supplemental Indenture"), between the Authority and the Trustee. The Series 2022 Bonds will be secured by the Deed of Trust and the Assignment of Rents and Leases both as amended by a Modification Agreement dated as of _____, 2022 (the "Modification Agreement"), among the Authority, the Trustee and the Deed of Trust Trustees (as defined in the Original Financing Lease).

The Authority and the County desire to amend the Original Financing Lease to provide for the issuance of the Series 2022 Bonds.

The amendments set forth herein are required and permitted by the Indenture in connection with the issuance of Additional Bonds (as defined in the Indenture).

NOW THEREFORE, the Authority and the County hereby agree as follows:

ARTICLE I

DEFINITIONS

The capitalized terms contained in this First Amendment to Financing Lease have the meanings set forth in the Original Financing Lease, unless amended hereby.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by County. The County makes the following representations as the basis for its undertakings under this First Amendment to Financing Lease:

(a) The County is a political subdivision of the Commonwealth of Virginia duly created and validly existing under and pursuant to the laws of the Commonwealth of Virginia.

(b) The County has full legal right, power and authority: (i) to execute and deliver this First Amendment to Financing Lease, the First Amendment to Lease dated as of _____, 2022 (the "Amendment to Lease") between the County and the Authority, and any other documents related thereto; and (ii) to carry out and consummate all other transactions contemplated by such documents.

(c) To the best of the County's knowledge, the County is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness has been or may be incurred, and no event has occurred and is continuing under the provisions of any such instrument which, with the lapse of time or giving of notice, or both, would constitute an event of default thereunder.

(d) No litigation or investigation by any judicial or governmental body or agency is pending or, to the best of the County's knowledge, threatened to: (i) enjoin, restrain or otherwise affect the execution, delivery or validity of the Resolution, the First Amendment to Financing Lease and the Amendment to Lease; or (ii) challenge, contest or affect the creation, existence or powers of the County, the incumbency of the County's officers or the validity or enforceability of any action taken by the County with respect to the Resolution and the Series 2022 Bonds or any transactions authorized thereby or related thereto. No litigation or investigation by any judicial or governmental body or agency is pending or, to the best of the County's knowledge, threatened which challenges or contests the collection of rental payments hereunder for the payment thereof to the Authority or its assignee. There is no litigation or investigation by any judicial or governmental body or agency pending or, to the best of the County's knowledge, threatened against the County or any of the property or assets under the control of the County which involves the possibility of any judgment or liability which may adversely affect the acquisition, construction, improvement, furnishing, equipping or operation of the Leased Premises.

(e) The lease of the Leased Premises to the County under the Financing Lease, as amended by this First Amendment to Financing Lease, will provide necessary improvements for essential governmental operations and services of the County and, therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the County.

Section 2.2 Representations by the Authority. The Authority makes the following representations as the basis for its undertakings hereunder:

(a) The Authority is a political subdivision of the Commonwealth of Virginia.

(b) The Authority has full legal right, power and authority to: (i) enter into and to carry out its obligations under this First Amendment to Financing Lease, the Amendment to Lease, the Modification Agreement and the First Supplemental Indenture (collectively, the "Series 2022 Bond Documents") and to issue the Series 2022 Bonds; (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under this First Amendment to Financing Lease and the other Series 2022 Bond Documents and any other documents related thereto and the issuance of the Series 2022 Bonds.

(c) The Authority is not in default under or in violation of, and the execution, delivery and compliance by the Authority with the terms and conditions of this First Amendment to Financing Lease, the other Series 2022 Bond Documents and the Series 2022 Bonds, will not conflict with or constitute or result in a default under or violation of, the Act or any other existing law, rule or regulation applicable to the Authority.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver this First Amendment to Financing Lease, the other Series 2022 Bond Documents or the Series 2022 Bonds, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Authority who executed such instruments, or (v) any authority or proceedings

related to the execution and delivery of such instruments on behalf of the Authority (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required in connection with (i) the issuance and delivery of the Series 2022 Bonds by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of this First Amendment to Financing Lease, the other Series 2022 Bond Documents or the Series 2022 Bonds, or (iii) the pledge and assignment made by the Authority to the Trustee under Article II of the Indenture, provided that no representation is made with respect to any federal or state securities or blue sky laws or regulations.

(f) The execution, delivery and compliance with the terms and conditions of this First Amendment to Financing Lease, the other Series 2022 Bond Documents and the Series 2022 Bonds will not conflict with or constitute on the part of the Authority a violation of, breach of or default under any statute, ordinance, bylaw, indenture, mortgage, deed of trust, resolution, bond, note or other agreement or instrument to which the Authority is a party or by which it is bound or, to its knowledge, any judgment, decree, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of the Authority's activities or properties.

ARTICLE III

AMENDMENTS TO FINANCING LEASE

Section 3.1 Amendment to Section 5.4(b) of the Original Financing Lease (Prepayment of Rental Payments). Section 5.4(b) of the Original Financing Lease is hereby deleted in its entirety and replaced with the following:

(b) (1) If the County desires to make prepayments of Basic Rent related to the Series 2021 Bonds and all payments then due pursuant to Section 5.2 have been paid, the County may elect by written notice to the Authority and the Trustee to make on or after December 1, 2030, prepayments of Basic Rent in an amount or amounts equal to the outstanding principal of the Series 2021 Bonds to be redeemed prior to maturity and premium, if any, and interest accrued thereon to the redemption date for such Series 2021 Bonds which date shall be specified in such notice. The Authority directs the Trustee to apply any amounts so prepaid to redeem the Series 2021 Bonds under the provisions of the Indenture on the specified redemption date. In order to exercise this prepayment right, the County shall, at least 45 days before the date on which the redemption of the Series 2021 Bonds is to occur, give written notice to the Authority, the Trustee and the Insurer of the prepayment.

(2) *If the County desires to make prepayments of Basic Rent related to any series of Bonds (other than the Series 2021 Bonds) and all payments then due pursuant to Section 5.2 have been paid, the County may elect by written notice to the Authority and the Trustee to make on or after the optional redemption date for such series of Bonds specified in the applicable Supplemental Indenture (which in the case of the Series 2022 Bonds is _____, 20__), prepayments of Basic Rent in an amount or amounts equal to the outstanding principal of such Bonds to be redeemed prior to maturity and premium, if any, and interest accrued thereon to the redemption date for such Bonds which date shall be specified in such notice. The Authority directs the Trustee to apply any amounts so prepaid to redeem such Bonds under the provisions of the Indenture on the specified redemption date. In order to exercise this prepayment right, the County shall, at least 45 days before the date on which the redemption of the applicable series of Bonds is to occur, give written notice to the Authority and the Trustee of the prepayment.*

ARTICLE IV

MISCELLANEOUS

Section 4.1 Ratification. The terms and provisions set forth in this First Amendment to Financing Lease hereby modify and supersede all inconsistent terms and provisions set forth in the Original Financing Lease, and except as expressly modified and superseded by this First Amendment to Financing Lease, the terms and provisions of the Original Financing Lease are ratified and confirmed and shall continue in full force and effect.

Section 4.2 Successors and Assigns. This First Amendment to Financing Lease is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 4.3 Severability. If any provision of this First Amendment to Financing Lease is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 4.4 Counterparts. This First Amendment to Financing Lease may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 4.5 Joinder by Trustee. The Trustee joins in this First Amendment to Financing Lease for the sole purpose of acknowledging and agreeing to the amendment of the Original Financing Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment to Financing Lease as of the date first above written.

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
Chairman

ATTEST:

By: _____
Secretary

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____ and _____ as Chairman and Secretary, respectively, of the Industrial Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires: _____.

[SEAL]

Notary Public

Approved as to Form and Correctness:

Counsel to the Industrial Development Authority
of Southampton County, Virginia

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, County Attorney for Southampton County, Virginia, and counsel to the Industrial Development Authority of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
County Administrator

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022,
by _____, County Administrator, on behalf of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

ACKNOWLEDGED AND CONSENTED TO:

REGIONS BANK, as Trustee

By: _____

Its: _____

COMMONWEALTH OF VIRGINIA

[[[CITY OF RICHMOND]]], to wit:

The foregoing instrument was acknowledged before me this ____ day of September, 2022, by _____ as _____ of Regions Bank, as Trustee, on behalf of the bank.

My commission expires: _____.

[SEAL]

Notary Public

EXHIBIT A

Description of Real Estate

(See Attached)

Tax Map No. 60A-1-1-17, 60A-1-1-18 and 60A-1-1-19

Tax Map 60A-1-1-17

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the North east corner of Tax Map 60A-1-1-19, an iron rod found; thence along said right-of-way the following courses and distances; along a curve turning to the right with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of North 30°05'52" West, with a chord length of 58.65'; along a line, North 28°39'58" West a distance of 101.23' to a point; thence along a line of North 28°39'58" West a distance of 287.61' to a point; thence along a curve turning to the right with an arc length of 31.96', with a radius of 1003.40', with a delta angle of 01°49'30", with a chord bearing of North 27°45'13" West, with a chord length of 31.96'; which is the point of beginning of Tax Map 60A-1-1-17; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 64°01'19" West a distance of 173.18' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction to a point, said point is the south east corner of Tax Map 60A-1-1-16 and south west corner of Tax Map 60A-1-1-17; thence departing said shoreline, along a line of North 64°14'01" East a distance of 192.42' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W); thence along said right-of-way with a curve turning to the left with an arc length of 88.78', with a radius of 1003.40', with a delta angle of 05°04'09", with a chord bearing of South 24°18'24" East, with a chord length of 88.75'; which is the point of beginning, having an area of 16,663.20 square feet (plus or minus) ,0.383 acres (plus or minus).

Tax Map 60A-1-1-18

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the north east corner of Tax Map 60A-1-1-19, an iron rod found; thence along said right-of-way the following courses and distances; along a curve turning to the right with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of North 30°05'52" West, with a chord length of 58.65'; along a line, North 28°39'58" West a distance of 101.23' to a point; which is the point of beginning of Tax Map 60A-1-1-18; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 61°08'46" West a distance of 244.46' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction, to a point, said point is the south east corner of Tax Map 60A-1-1-17 and south west corner of Tax Map 60A-1-1-18; thence departing said shoreline, along a line of North 64°01'19" East a distance of 173.18' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58,

(variable width R/W), thence along said right-of-way line, with a curve turning to the left with an arc length of 31.96', with a radius of 1003.40', with a delta angle of 01°49'30", with a chord bearing of South 27°45'13" East, with a chord length of 31.96'; thence along a line of South 28°39'58" East a distance of 287.61' to a point; which is the point of beginning, having an area of 65,840.02 square feet (plus or minus), 1.511 acres (plus or minus).

Tax Map 60A-1-1-19

Beginning at a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W), said point being the north west corner of Tax Map 60A-3-1 property and the North east corner of the subject parcel, Tax Map 60A-1-1-19, an iron rod found, which is the point of beginning of Tax Map 60A-1-1-19; thence departing the right-of-way of Main Street, U.S. Route 58, (variable width R/W); along a line of South 69°03'58" West a distance of 5.59' to a point; thence with a curve turning to the left with an arc length of 0.46', with a radius of 1178.92', with a delta angle of 00°01'20", with a chord bearing of South 31°29'27" East, with a chord length of 0.46'; thence, along a line of South 64°25'25" West a distance of 299.05' (plus or minus) to a point on the eastern mean low water shoreline of the Nottoway River; thence along said shoreline in a north west direction, to a point, said point is the south east corner of Tax Map 60A-1-1-18 and south west corner of Tax Map 60A-1-1-19.

Thence departing said shoreline, along a line of North 61°08'46" East a distance of 244.46' (plus or minus) to a point; on the western right-of-way of Main Street, U.S. Route 58, (variable width R/W); thence, along a line, on said right-of-way, South 28°39'58" East a distance of 101.23' to a point; thence with a curve turning to the left with an arc length of 58.65', with a radius of 1173.42', with a delta angle of 02°51'50", with a chord bearing of South 30°05'52" East, with a chord length of 58.65', which is the point of beginning, having an area of 41,668.97 (plus or minus) square feet, 0.957 acres (plus or minus).

Prepared by:

T.W. Bruno
McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219

Tax/Map Parcel No. [[[60A-1-1-17, 60A-1-1-18 and 60A-1-1-19]]]

**THIS MODIFICATION AGREEMENT IS EXEMPT FROM RECORDATION TAXES
IN ACCORDANCE WITH VIRGINIA CODE SECTIONS 58.1-809.**

MODIFICATION AGREEMENT

This MODIFICATION AGREEMENT (the "Modification Agreement") is dated as of _____, 2022, and is between the INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority") (and to be indexed as grantee), REGIONS BANK, as trustee (the "Trustee"), and T.W. BRUNO and ANNE CURTIS SAUNDERS, as deed of trust trustees (the "Deed of Trust Trustees").

The Authority and the County of Southampton, Virginia (the "County") entered into the Financing Lease dated as of March 1, 2021 (the "Original Financing Lease") under which the Authority agreed to lease to the County, and the County agreed to lease from the Authority certain property consisting of the construction, renovation, installation and equipping of various capital projects including a courthouse (the "Leased Premises"). The Authority has financed the construction, renovation, installation and equipping of the various capital projects constituting the Leased Premises by the sale of its Lease Revenue and Refunding Bonds (Southampton County Capital Projects), Series 2021 in the aggregate principal amount of \$29,980,000 (the "Series 2021 Bonds").

The Series 2021 Bonds were issued under an Indenture of Trust dated as of March 1, 2021 (the "Original Indenture"), between the Authority and the Trustee providing for the issuance of lease revenue bonds, including the Series 2021 Bonds and any additional bonds to be issued (collectively, the "Bonds"). To secure the payment of the Bonds and the Original Financing Lease, the Authority conveyed the Leased Premises to the Deed of Trust Trustees pursuant to a Leasehold Deed of Trust and Security Agreement dated as of March 1, 2021 (the "Deed of Trust") and recorded in the Clerk's Office of the County of Southampton, Virginia as Instrument # 210000594.

The Authority proposes to finance all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment by the issuance and sale of lease revenue bonds in the amount of \$_____ (the "Series 2022 Bonds") under the Original

Indenture as supplemented by the First Supplemental Indenture of Trust dated as of _____, 2022 (the "First Supplemental Indenture"), between the Authority and the Trustee. The outstanding balance of the Series 2021 Bonds after the issuance of the Series 2022 Bonds is \$[14,800,000], the total principal amount originally secured by the Deed of Trust was \$29,980,000 and the total principal amount hereinafter secured by the Deed of Trust is \$_____.

The Authority leases the Leased Premises to the County under the Original Financing Lease, which the Authority and the County amended to provide for the issuance of the Series 2022 Bonds under a First Amendment to Financing Lease dated as of _____, 2022 (the "Amendment to Financing Lease"). The obligations of the County and the Authority regarding the Bonds and the Financing Lease are also secured by an Assignment of Rents and Leases dated as of March 1, 2021 (the "Assignment of Rents and Leases"), between the Authority and the Trustee, recorded in the aforesaid Clerk's office as Instrument # 210000595.

NOW, THEREFORE, the parties agree as follows:

Section 1. Amendment of Deed of Trust and Assignment of Rents and Leases. The Deed of Trust and the Assignment of Rents and Leases are hereby amended to reflect (A) the supplement to the Original Indenture by the First Supplemental Indenture and (B) the amendment of the Original Financing Lease by the Amendment to Financing Lease, and (C) the amendment of the Lease Agreement dated as of March 1, 2021, between the Board and the Authority, by a First Amendment to Lease Agreement dated as of _____, 2022.

Section 2. Ratification. The terms and provisions set forth in this Modification Agreement hereby modify and supersede all inconsistent terms and provisions set forth in the Deed of Trust and Assignment of Rents and Lease, and except as expressly modified and superseded by this Modification Agreement, the terms and provisions of the Deed of Trust and Assignment of Rents and Leases are ratified and confirmed and shall continue in full force and effect.

Section 3. Successors and Assigns. This Modification Agreement is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 4. Severability. If any provision of this Modification Agreement is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 5. Counterparts. This Modification Agreement may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 6. Joinder by Deed of Trust Trustees. The Deed of Trust Trustees join in this Modification Agreement for the sole purpose of acknowledging and agreeing to the amendment of the Deed of Trust.

[Signature Page Follows]

WITNESS the following signatures.

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
Chairman

ATTEST:

By: _____
_____, Secretary

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022,
by _____ and _____ as Chairman and Secretary, respectively, of the Industrial
Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires: _____.

[SEAL]

Notary Public

Approved as to Form and Correctness:

Counsel to the Industrial Development Authority
of Southampton County, Virginia

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022,
by _____, County Attorney for Southampton County, Virginia, and counsel to the
Industrial Development Authority of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

REGIONS BANK, as Trustee

By: _____
Its: _____

COMMONWEALTH OF VIRGINIA

[[[CITY OF RICHMOND]]], to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____ as _____ of Regions Bank, as Trustee, on behalf of the bank.

My commission expires: _____.

[SEAL]

Notary Public

_____, as deed of trust trustee
under the Deed of Trust

_____, as deed of trust trustee
under the Deed of Trust

COMMONWEALTH OF VIRGINIA

[[[CITY OF RICHMOND]]], to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, as deed of trust trustee.

My commission expires: _____.

[SEAL]

Notary Public

COMMONWEALTH OF VIRGINIA

[[[CITY OF RICHMOND]]], to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, as deed of trust trustee.

My commission expires: _____.

[SEAL]

Notary Public

Consented to by:

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
County Administrator

COMMONWEALTH OF VIRGINIA

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2022,
by _____, County Administrator, on behalf of Southampton County, Virginia.

My commission expires: _____.

[SEAL]

Notary Public

FIRST SUPPLEMENTAL INDENTURE OF TRUST

BETWEEN

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
SOUTHAMPTON COUNTY, VIRGINIA**

and

**REGIONS BANK,
as Trustee**

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA
LEASE REVENUE BONDS
(SOUTHAMPTON COUNTY CAPITAL PROJECTS),
SERIES 2022**

_____, 2022

FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST is dated as of _____, 2022 (the "First Supplemental Indenture"), and is between the INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority") and REGIONS BANK, as trustee (the "Trustee").

The Authority and the Trustee entered into an Indenture of Trust dated as of March 1, 2021 (the "Original Indenture"), under which the Authority issued its \$29,980,000 Lease Revenue and Refunding Bonds (Southampton County Capital Projects), Series 2021 (the "Series 2021 Bonds") issued to assist the County of Southampton, Virginia (the "County") with (i) financing a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, (ii) refunding certain outstanding bonds of the County and (iii) financing the costs of issuing the Series 2021 Bonds.

The Authority has determined to issue a series of Additional Bonds under the Indenture in an aggregate principal amount of \$ _____ (as altered, amended, modified or supplemented from time to time, the "Series 2022 Bonds"), the proceeds of which will be sufficient, along with other available funds to assist the County with (i) financing all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment (collectively, the "2022 Financed Projects"), and (ii) financing the costs of issuing the Series 2022 Bonds. The Series 2022 Bonds are to be secured by the Indenture and the Deed of Trust, which is modified by a Modification Agreement as defined below.

The Indenture provides that, in connection with the issuance of Additional Bonds, the Authority will execute and deliver to the Trustee a Supplemental Indenture authorizing the Additional Bonds and setting forth their terms and provisions.

The Authority and the Trustee covenant and agree as follows:

ARTICLE I

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Section 1.1 First Supplemental Indenture of Trust. This First Supplemental Indenture of Trust is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Section 5.4 of the Indenture. All terms, covenants, conditions and agreements of the Indenture apply with full force and effect to the Series 2022 Bonds, except as otherwise provided in this First Supplemental Indenture.

Section 1.2 Definitions. All capitalized words and terms used in this First Supplemental Indenture have the meanings set forth in the Original Indenture. In addition, the following words and terms have the following meanings in this First Supplemental Indenture unless the context clearly indicates some other meaning:

"2022 Financed Projects" has the meaning set forth in the Recitals.

"2022 Project Account" has the meaning set forth in Section 4.1(a).

"Amendment to Financing Lease" means the First Amendment to Financing Lease dated as of the date of this First Supplemental Indenture, between the County and the Authority.

"Amendment to Lease" means the First Amendment to Lease dated as of date of this First Supplemental Indenture, between the County and the Authority.

"First Supplemental Indenture" means this First Supplemental Indenture of Trust dated as of the date set forth above, among the Authority and the Trustee, as it may be modified, altered, amended and supplemented.

"Modification Agreement" means the Modification Agreement dated as of the date of this First Supplemental Indenture, among the Authority, the Trustee and the Deed of Trust Trustees named therein and consented to by the County.

"Series 2021 Bonds" has the meaning set forth in the Recitals.

"Series 2022 Bonds" means the Bonds of the Authority issued pursuant to Article II of this First Supplemental Indenture.

Section 1.3 Assignment and Security Interest. The Authority confirms the assignment and security interest granted pursuant to Section 2.1 of the Indenture and, in addition, pursuant to such Section 2.1, hereby pledges, assigns, transfers and grants a security interest to the Trustee, in trust, for the benefit of the registered owners of the Series 2022 Bonds, in all right, title and interest of the Authority in and to the Trust Estate, as defined in Section 2.1 of the Indenture to hold and apply it subject to the terms of the Indenture.

ARTICLE II

AUTHORIZATION, DETAILS, REGISTRATION AND DELIVERY OF SERIES 2022 BONDS

Section 2.1 Authorization of Series 2022 Bonds. There are authorized to be issued lease revenue bonds of the Authority under the Indenture in the aggregate original principal amount of \$ _____. Except as otherwise set forth herein, the Series 2022 Bonds shall be issued, executed and delivered on the same terms as set forth in Article III of the Original Indenture.

Section 2.2 Details of Series 2022 Bonds. The Series 2022 Bonds authorized in Section 2.1 are designated "Industrial Development Authority of Southampton County, Virginia Lease Revenue Bonds (Southampton County Capital Projects), Series 2022." The Series 2022 Bonds will (i) be issued in fully registered form, (ii) be dated the date of delivery, (iii) be issued in denominations of \$5,000 or any integral multiple of \$5,000, (iv) be numbered from R-1 upwards, sequentially and (v) bear interest payable semiannually on _____ 1, and _____ 1, commencing _____ 1, 20__, at the rates indicated below. The Series 2022 Bonds shall mature on _____ 1 in each of the years and amounts indicated below.

Year	<u>Amount</u>	<u>Interest Rate</u>
-------------	----------------------	-----------------------------

(_____) 1)

\$

%

[Record Date Confirmation]

Section 2.3 Form of Series 2022 Bonds. The Series 2022 Bonds will be issued substantially in the form set forth in Exhibit A to this First Supplemental Indenture, with such appropriate variations, omissions and insertions as permitted or required by the Indenture and this First Supplemental Indenture. There may be endorsed on the Series 2022 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 2.4 Delivery of Series 2022 Bonds. The Trustee will authenticate and deliver the Series 2022 Bonds pursuant to the Indenture and this First Supplemental Indenture when the Trustee has received the items set forth in Section 5.4 of the Indenture.

Section 2.5 Application of Series 2022 Bond Proceeds. The Trustee will make the following transfers and will apply the proceeds \$_____ (the par amount (\$_____)) less an underwriters' discount (\$_____) and [[[plus a net original issue premium \$_____)]]) from the sale of the Series 2022 Bonds, as follows:

(a) The Trustee shall deposit \$_____ in the 2022 Project Account created under Section 4.1 hereof.

ARTICLE III

REDEMPTION OF SERIES 2022 BONDS

Section 3.1 Redemption of the Series 2022 Bonds. The Series 2022 Bonds may not be called for redemption except as provided in this Article.

Section 3.2 Extraordinary Optional Redemption. The Series 2022 Bonds are subject to extraordinary optional redemption prior to maturity as set forth in Section 4.2 of the Indenture.

Section 3.3 Optional Redemption. The Series 2022 Bonds maturing on and before _____ 1, 20__, are not subject to redemption prior to their respective maturity dates. The Series 2022 Bonds maturing on and after _____ 1, 20__, if the County exercises its option to make prepayments under the Financing Lease or at the direction of the County, from any other money available for such purpose, in whole or in part in increments of \$5,000 or any whole multiple of \$5,000 at any time, upon payment of the redemption prices of par equal to the principal amount of the Series 2022 Bonds to be redeemed, plus accrued interest to the redemption date.

Section 3.4 Notice of Redemption. When required to redeem Series 2022 Bonds under any provision of the Indenture, the Trustee shall cause notice of the call for any such redemption to be provided in accordance with the Indenture.

Section 3.5 Payment of Redeemed Bonds. Payment of redeemed Series 2022 Bonds shall be made as set forth in Section 4.7 of the Indenture.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.1 2022 Project Account. (a) There is established within the Project Fund a "2022 Project Account." The Trustee will deposit in the 2022 Project Account a portion of the proceeds of the Series 2022 Bonds in the amount and manner directed under this Supplemental Indenture.

(b) The Trustee will use money in the 2022 Project Account solely (i) to pay Costs of Issuance with respect to the Series 2022 Bonds and (ii) to pay Costs of Financing the 2022 Financed Projects, all as evidenced by requisitions and certificates as provided in this Section and in Section 7.2 of the Original Indenture.

ARTICLE V

SPECIAL COVENANTS

Section 5.1 Arbitrage Covenants. The Authority will not take or approve or fail to take or approve any action, investment or use of the proceeds of the Series 2022 Bonds which would cause the Series 2022 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder (the "Arbitrage Regulations"). The Authority will not, barring unforeseen circumstances, request or approve the use of the proceeds of the Series 2022 Bonds other than in accordance with its "non-arbitrage" certificate.

Section 5.2 Security for Series 2022 Bonds. The Series 2022 Bonds are issued as Additional Bonds under the Indenture and are equally and ratably secured with the Series 2021 Bonds issued under the Indenture.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Successors and Assigns. This First Supplemental Indenture is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 6.2 Severability. If any provision of this First Supplemental Indenture is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 6.3 Governing Law. This First Supplemental Indenture Trust will be governed by and construed under the applicable laws of the Commonwealth of Virginia.

Section 6.4 Counterparts. This First Supplemental Indenture may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this First Supplemental Indenture to be executed on their behalf by their duly authorized officers.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

[SEAL]

By: _____
_____, Chairman

ATTEST:

By: _____
_____, Secretary-Treasurer

REGIONS BANK, as Trustee

By: _____
Its: Assistant Vice President

Acknowledged and Consented to:

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
Michael W. Johnson, County Administrator

EXHIBIT A

Form of Bond

R- _____

CUSIP

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA
LEASE REVENUE BONDS
(SOUTHAMPTON COUNTY CAPITAL PROJECTS)
SERIES 2022**

INTEREST RATE

MATURITY DATE

DATED DATE

_____ %

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS (\$ _____)

The INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority") for value received, promises to pay, solely from the revenues and other property pledged to the payment of this Bond, to the registered owner of this Bond or legal representative, the principal sum stated above on the maturity date stated above, and to pay solely from such source, interest on the principal amount of this Bond at the annual rate stated above, payable semi-annually on each _____ 1 and _____ 1, commencing on _____ 1, 2022, all subject to prior redemption as described in this Bond. This Bond will bear interest (a) from the date of delivery, if this Bond is authenticated before _____ 1, 2022 or (b) otherwise, from the _____ 1 or _____ 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless the payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). The principal of and premium, if any, on this Bond will be payable upon presentation and surrender of this Bond at the designated corporate trust office of Regions Bank, as trustee under the Indenture (as hereinafter defined), or its successor in trust (the "Trustee"). Interest on this Bond will be paid by check or draft mailed to the person registered on _____ 15 or _____ 15, as appropriate, next preceding the interest payment date as the registered owner of this Bond at the address of such person on the registration books of the Authority maintained by the Trustee; provided that as long as Cede & Co. is the registered owner of this Bond, interest shall be paid by wire transfer. Interest on this Bond will be computed on the basis of a year of 360 days comprised of 12 months of 30 days each. Principal of and, premium, if any, and interest on this Bond are payable in lawful money of the United States

of America. In case the date of maturity of the principal of this Bond or the date fixed for the payment of interest on or the redemption of this Bond is (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth of Virginia, or the city in which the designated corporate trust office of the Trustee is located, are authorized by law to close, (iii) a day on which the New York Stock Exchange is closed or (iv) such other days as may be specified in a Supplemental Indenture, then payment of the principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date, and if made on such next succeeding date no additional interest shall accrue for the period after such date of maturity or date fixed for redemption.

This Bond and the issue of which it is a part and the interest on this Bond are limited obligations of the Authority and payable solely from the revenues and other property pledged and assigned to the Trustee under the terms of the Indenture to secure payment of this Bond. The principal of, premium, if any, and interest on this Bond will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia (the "Commonwealth") or any of its political subdivisions other than the limited obligation of the Authority. NEITHER THE COMMONWEALTH NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY OF SOUTHAMPTON, VIRGINIA (THE "COUNTY"), ARE OBLIGATED TO PAY THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT EXCEPT FROM THE REVENUES, MONEY OR PROPERTY OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT.

This Bond is one of an issue of the Authority's \$_____ Lease Revenue Bonds (Southampton County Capital Projects), Series 2022 (as altered, amended, modified, or supplemented from time to time, the "Bonds"), of like tenor, except as to number, denomination, maturity date, interest rate and privilege of redemption, authorized and issued by the Authority, pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended, for the purpose of providing funds to assist the County with (i) financing all or a portion of the costs of various capital projects contained in the County's budget from time to time, including without limitation the costs of a courthouse expansion, renovation and improvement project, the replacement of a public safety radio system and upgrades to various vehicles and equipment, and (ii) financing the costs of issuing the Bonds.

Certain real estate and the related improvements will be leased (the "Leased Premises") by the County to the Authority under a Lease dated as of March 1, 2021, as amended by a First Amendment to Lease dated as of _____, 2022 (and as altered, amended, modified, or supplemented from time to time, the "Lease") and leased back to the County by the Authority under a Financing Lease dated as of March 1, 2021, as amended by a First Amendment to Financing Lease dated as of _____, 2022 (and as altered, amended, modified, or supplemented from time to time, the "Financing Lease") between the Authority and the County. Under the terms of the Financing Lease, the County has agreed to make rental payments to the

Authority for the lease of the Leased Premises. The obligation of the County to make payments under the Financing Lease constitutes a current expense of the County, subject to annual appropriation by the County. The Financing Lease may be terminated by the Trustee if funds are not appropriated by the County to make payments thereunder in subsequent years, all as more particularly described in the Financing Lease. The obligation of the County to make payments under the Financing Lease does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the registered owner hereof with respect to payments to be made by the County under the Financing Lease or with respect to the performance by the County of any other covenant contained therein.

The Bonds are issued under and are equally and ratably secured by an Indenture of Trust, dated as of March 1, 2021 (the "Original Indenture"), between the Authority and the Trustee, as supplemented by a First Supplemental Indenture of Trust dated as of _____, 2022 (the "First Supplemental Indenture" and the Original Indenture as supplemented by the First Supplemental Indenture and as the same may be altered, amended, modified or supplemented from time to time, the "Indenture"), between the Authority and the Trustee.

The Bonds are secured by the Leasehold Deed of Trust and Security Agreement, dated as of March 1, 2021, as amended by a Modification Agreement dated as of _____, 2022 (and as altered, amended, modified, or supplemented from time to time, the "Deed of Trust"), between the Authority and Thomas W. Bruno and Anne Curtis Saunders, as deed of trust trustees, which creates a leasehold mortgage on and a security interest in the Leased Premises. The Bonds are also secured by an Assignment of Rents and Leases, dated as of March 1, 2021, as amended by a Modification Agreement dated as of _____, 2022 (and as altered, amended, modified, or supplemented from time to time, the "Assignment of Rents and Leases"), from the Authority to the Trustee which assigns the Authority's rights under the Financing Lease to the Trustee. Reference is made to the Indenture, the Lease, the Financing Lease, the Assignment of Rents and Leases and the Deed of Trust for a description of the revenues and property pledged and assigned and the provisions, among other things, with respect to the nature and extent of the security, the rights and obligations of the Authority, the County and the Trustee, the terms on which the Bonds are issued and secured, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights.

Additional bonds ranking equally with the Bonds may be issued on the terms provided in the Indenture. Outstanding as of the Dated Date of this Bond and secured under the Indenture and the documents referenced in the preceding paragraph are the Authority's Series 2021 Bonds (as defined in the Indenture).

The Bonds may not be called for redemption except as provided in the Indenture and as described herein.

The Bonds maturing on or after _____, 20__, are subject to optional redemption by the Authority (at the direction of the County) on or after _____, 20__, in the event of the exercise by the County of the option to make prepayments under the Financing Lease or from any other money available for such purpose, in whole or in part in increments of \$5,000 or any multiple of \$5,000 at any time upon payment of the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

The Bonds are subject to extraordinary optional redemption by the Authority in whole at any time upon payment of a redemption price equal to 100% of the principal amount of such Bonds to be redeemed, plus accrued interest to the redemption date, in the event the County elects, subject to the limitations of the Financing Lease, not to use proceeds from any insurance recovery or condemnation award received under the Financing Lease to repair, reconstruct or restore all or any portion of the Leased Premises under circumstances involving (i) loss, damage or destruction of all or substantially all of the Leased Premises (including loss of title) or (ii) condemnation of all or substantially all of the Leased Premises or its sale in lieu of condemnation.

If any of the Bonds are called for redemption, the Trustee will cause a notice of redemption to be sent by first class mail, postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to the registered owners of the Bonds, at their respective addresses as they last appear on the registration books maintained by the Trustee, or, if the book-entry system is in effect with respect to the Bonds, to DTC by electronic submission. The receipt of the notice is not to be a condition precedent to the redemption and failure to mail any notice to a registered owner will not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners. Any notice of optional redemption may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If this Bond has been duly called for redemption and payment of the principal of, premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from such redemption date, and, from and after such redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Indenture, and the registered owner of this Bond will have no rights in respect of this Bond except to receive payment of such principal of and unpaid interest accrued to the date fixed for redemption on this Bond.

The registered owner of this Bond has no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. Upon the occurrence of certain events or upon certain conditions, in the manner and with the effect set forth in the Indenture, the principal of all of the Bonds issued under the Indenture and then outstanding, together with any accrued interest on them, may become or may be declared due and payable before their stated maturities. Modifications or alterations in the Indenture, the Lease, the Financing Lease, the Assignment of Rents and Leases and the Deed of Trust or any supplements to them, may be made only to the extent and under the circumstances provided by the Indenture.

The Bonds are issued as registered bonds without coupons in denominations of \$5,000 or any integral multiple of \$5,000. At the designated corporate trust office of the Trustee, in the manner and subject to the limitations and conditions upon payment of charges provided for in the Indenture, Bonds may be exchanged for an equal aggregate principal amount of Bonds of like date and tenor and of authorized denominations and bearing interest at the same rate.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided for in the

Indenture and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the Authority will execute and the Trustee will authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of like date and tenor and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. The Trustee will before due presentment of registration of transfer treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on this Bond, and the exercise of all other rights and powers of the owner.

All acts and conditions required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond.

[Signature Page Follows]

IN WITNESS WHEREOF, the Industrial Development Authority of Southampton County, Virginia has caused this Bond to be executed by the manual signature of its Chairman, its seal to be printed on this Bond and attested by the manual signature of its Secretary.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
_____, Chairman

[SEAL]

ATTEST:

By: _____
_____, Secretary

* * * * *

AUTHENTICATION DATE: _____, 2022

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

REGIONS BANK, Trustee

By: _____

Name: Kurt Marson

Title: Senior Vice President

(Form of Assignment)

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(Please print or type Name and Address, including postal zip code of Transferee)

the within Bond and all rights under it, irrevocably constituting and appointing

_____, Attorney to transfer the Bond
on the books kept for its registration, with full power of substitution.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s)
must be guaranteed by
a member firm of the
New York Stock Exchange
or a commercial bank
or trust company

Registered Owner
NOTICE: The signature above
must correspond with the name
of the Registered Owner
exactly as it appears on the
front of this Bond.

(End of Form of Assignment)