

**12C. PUBLIC HEARING
FINANCING OF CERTAIN IMPROVEMENTS TO
THE DREWRYVILLE WATERWORKS**

This public hearing is held pursuant to Section 15.2-2606 of the Code of Virginia of 1950, as amended, to consider a resolution regarding the proposed financing of costs associated with the development of a second well and construction of an above ground storage tank for the Drewryville waterworks (the "Project") by issuing a water and sewer system revenue bond in the maximum principal amount of \$150,000 (the "Bond") and to use the proceeds thereof, along with other available funds, if any, to pay the costs of the Project.

The Project will be financed through the Virginia Resources Authority with proceeds from the Virginia Water Supply Revolving Fund and will consist of a principal repayment loan in an amount up to \$72,875 (the "Principal Repayment Loan") and a principal forgiveness loan in an amount up to \$72,875 (the "Principal Forgiveness Loan") for a total funding package of up to \$145,750 (the "Loan"). The cost of funds on the Principal Repayment Loan will be 2.50%, comprised of interest to the Fund of 1.00% and a fee of 1.50% for administrative and management services attributable to the Principal Repayment Loan. Principal Repayment Loan payments will begin approximately six months after Project completion for a term of thirty years.

The notice of public hearing was published in the Tidewater News on February 5 and February 12, 2016 as required by law. After conclusion of this public hearing, the Board of Supervisors will consider the comments offered this evening and will proceed to adopt, amend or defer action on the proposed resolution.

MOTION REQUIRED: A motion is required to adopt the attached resolution.

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
SOUTHAMPTON, VIRGINIA AUTHORIZING THE ISSUANCE AND SALE OF ITS
WATER AND SEWER SYSTEM REVENUE BOND AND SETTING FORTH THE
FORM, DETAILS AND PROVISIONS FOR THE PAYMENT THEREOF**

WHEREAS, the Board of Supervisors of the County of Southampton, Virginia (the "County") has determined that it is necessary and desirable to finance the development of a second well and construction of an above ground storage tank for the Drewryville waterworks (the "Project") and to issue its water and sewer system revenue bond in the maximum principal amount of \$150,000 (the "Bond") and to use the proceeds thereof, along with other available funds, if any, to pay the costs of the Project.

WHEREAS, the Bond will be sold by the County to or at the direction of the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund ("VRA"), pursuant to the terms of a Financing Agreement (the "Financing Agreement") and the Funding Agreement (the "Funding Agreement"), between the County and VRA.

WHEREAS, the Board of Supervisors of the County has held a public hearing on February 22, 2016, on the issuance of the Bond in accordance with the requirements of Section 15.2-2606 of the Code of Virginia of 1950, as amended.

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

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings set forth under the Financing Agreement.

2. Authorization of Bond and Use of Proceeds. The Board of Supervisors hereby finds and determines that it is advisable and in the best interest of the County to contract a debt and to issue the Bond in the maximum principal amount of \$150,000, and to sell the Bond to or at the direction of VRA, all pursuant to the terms of (i) this Resolution, (ii) the Financing Agreement and (iii) the Funding Agreement. Such issuance and sale of the Bond are hereby authorized and approved. The Bond shall be designated the "County of Southampton, Virginia Water and Sewer System Revenue Bond," or such other designation as may be approved in the discretion of the County Administrator and shall include an appropriate series designation. The proceeds from the issuance and sale of the Bond shall be used, together with other available funds, if any, to pay the costs of the Project.

3. Details of Bond. The Bond shall be issued as a single bond (or multiple bonds in an aggregate principal amount not to exceed \$150,000 if requested by VRA) in fully registered form and shall be dated the date of its issuance and delivery. The County Administrator or his designee is authorized and directed to determine and approve all of the other final details of the Bond, including without limitation, the maximum aggregate principal amount authorized to be advanced thereunder, the maturity or payment dates and amounts, series designation, the optional redemption provisions and the final maturity date; provided, however, that (i) the maximum aggregate principal amount authorized to be advanced under the Bond shall not exceed the amount set forth in paragraph 2 of this Resolution, (ii) the Cost of Funds on the Bond shall be at

the total rate of 2.50% per annum, as more particularly described under Section 6.1 of the Financing Agreement, and (iii) the final maturity date of the Bond shall be no later than approximately 35 years after its date. The approval of such details shall be evidenced conclusively by the execution and the delivery of the Bond.

4. Pledge of Revenues. The Bond shall be a limited obligation of the County and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues Available for Debt Service, including amounts that may be appropriated from time to time by the Board of Supervisors of the County pursuant to Section 5.4 of the Financing Agreement, which the County hereby pledges to the payment of the principal of and the Cost of Funds on the Bond pursuant to the terms of the Financing Agreement. Neither the Commonwealth of Virginia nor any of its political subdivisions, including the County, shall be obligated to pay the principal of and the Cost of Funds on the Bond or other costs incident to it except from the Revenues Available for Debt Service and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its political subdivisions, including the County, is pledged to the payment of the principal of and the Cost of Funds on the Bond or other costs incident to it. The issuance of the Bond does not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the County, to levy any taxes for the payment of the Bond. The pledge of Net Revenues Available for Debt Service securing the Bond shall be on parity with Existing Parity Bonds.

5. Form of Bond. The Bond shall be in substantially the form on file with the County Administrator with such variations, insertions or deletions as may be approved by the County Administrator or his designee, which approval shall be evidenced by the execution and delivery of the Bond. There may be endorsed on the Bond 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 with respect thereto.

6. Execution and Delivery of Bond. The Chairman of the Board of Supervisors is authorized and directed to execute the Bond. The Clerk of the Board of Supervisors is authorized and directed to affix the seal of the County to the executed Bond and to attest it and such officers are authorized and directed to deliver the Bond or to cause the Bond to be delivered to or at the direction of VRA upon payment of the first principal advance thereunder. An authorized representative or other designee of VRA shall enter the amount and date of each principal advance as provided in the Certificates of Advances attached to the Bond when the proceeds of such advances are delivered to the County.

7. Registration, Transfer and Exchange. The County appoints the County Administrator as its registrar and transfer agent (the "Registrar") to keep books for the registration and transfer of the Bond and to make such registrations and transfers on such books under such reasonable regulations as the County may prescribe.

Upon surrender for transfer or exchange of the Bond at the office of the Registrar, the County shall cause the execution and delivery in the name of the transferee or registered owner, as applicable, of a new Bond for a principal amount equal to the Bond surrendered and of the same date and tenor as the Bond surrendered, subject in each case to such reasonable regulations

as the County may prescribe. If surrendered for transfer, exchange, redemption or payment, the Bond shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Registrar, duly executed by the registered owner or by such owner's duly authorized attorney-in-fact or legal representative.

Any new Bond delivered upon any transfer or exchange shall be a valid limited obligation of the County, evidencing the same debt as the Bond surrendered and shall be entitled to all of the security and benefits of this Resolution to the same extent as the Bond surrendered.

8. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of the Bond, but the Registrar may require payment by the holder of such Bond of a sum sufficient to cover any tax or any other governmental charge that may be imposed in relation thereto.

9. Mutilated, Lost, Stolen or Destroyed Bond. If the Bond has been mutilated, lost, stolen or destroyed, the County shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon delivery to the Registrar and cancellation of, such mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond; provided, however, that the County shall execute, authenticate and deliver a new Bond only if its registered owner has paid the reasonable expenses and charges of the County in connection therewith and, in the case of a lost, stolen or destroyed Bond (i) has filed with the Registrar evidence satisfactory to him or her that such Bond was lost, stolen or destroyed and that the holder of the Bond was its registered owner and (ii) has furnished to the County indemnity satisfactory to the Registrar. If the Bond has matured, instead of issuing a new Bond, the County may pay the Bond without surrender upon receipt of the aforesaid evidence and indemnity.

10. Approval of Financing Agreement and Funding Agreement. The Financing Agreement and the Funding Agreement shall be in substantially the form on file with the County Administrator with such variations, insertions or deletions as may be approved by the County Administrator or his designee. The County Administrator or his designee is authorized to approve, execute and deliver the Financing Agreement, the Funding Agreement and such other documents and certificates as either such officer may consider necessary in connection therewith.

13. Further Actions; Authorized Representative. The County Administrator and such officers and agents of the County as he may designate are authorized and directed to take such further actions as they deem necessary regarding the issuance and sale of the Bond and the execution, delivery and performance of the Financing Agreement, including, without limitation, the execution and delivery of closing documents and certificates. All such actions previously taken by such officers and agents are ratified and confirmed. The County Administrator is authorized to designate the County's Authorized Representatives for purposes of the Financing Agreement.

14. Filing of Resolution. The County Attorney is authorized and directed to file a certified copy of this Resolution with the Circuit Court of the County of Southampton, Virginia, pursuant to Sections 15.2-2607 and 15.2-2653 of the Code of Virginia of 1950, as amended.

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

CERTIFICATE OF CLERK

The undersigned Clerk of the Board of Supervisors of Southampton County, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the Board of Supervisors of Southampton County, Virginia (the "Board"), was held on February 22, 2016, at which the following members were present and absent:

PRESENT:

ABSENT:

2. The attached Resolution entitled "A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SOUTHAMPTON, VIRGINIA, AUTHORIZING THE ISSUANCE AND SALE OF ITS WATER AND SEWER SYSTEM REVENUE BOND AND SETTING FORTH THE FORM, DETAILS AND PROVISIONS FOR THE PAYMENT THEREOF" was duly adopted at the Meeting by the recorded affirmative vote of a majority of all of the members elected to the Board, the vote being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

Clerk of the Board of Supervisors of
Southampton County, Virginia

FORM OF BOND

R-1

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF SOUTHAMPTON
WATER AND SEWER SYSTEM REVENUE BOND,
SERIES 2016**

INTEREST RATE

%

MATURITY DATE

DATED DATE

**REGISTERED OWNER: VIRGINIA RESOURCES AUTHORITY, AS
ADMINISTRATOR OF THE VIRGINIA WATER SUPPLY
REVOLVING FUND**

PRINCIPAL AMOUNT:

COUNTY OF SOUTHAMPTON, VIRGINIA, a public body politic and political subdivision of the Commonwealth of Virginia (the "County"), 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 as set forth below. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Financing Agreement dated as of _____ 1, 2016 (the "Financing Agreement"), between the County and the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund.

The Cost of Funds only on all amounts disbursed under this Local Bond shall be due and payable on _____ 1, 20___. Commencing _____, 20__ and continuing semi-annually thereafter on _____ 1 and _____ 1 in each year, principal and Cost of Funds due under this Local Bond shall be payable in equal installments of \$_____, with a final installment of \$_____ due and payable on _____ 1, 20___, when, if not sooner paid, all amounts due hereunder and under this Local Bond shall be due and payable in full. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of this Local Bond are not made, the principal amount due on this Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under this Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of this Local Bond shall not postpone the due date of any semi-annual installment due on this Local Bond, or change the amount of such installment.

If any installment of principal or Cost of Funds on this Bond is not paid to the registered owner of this Bond within ten (10) days after its due date, the County shall pay to the

registered owner of this Bond a late payment charge in an amount equal to five percent (5%) of the overdue installment.

All amounts due under this Bond are payable in lawful money of the United States.

The principal balance of this Bond shall be equal to the sum of the amounts advanced by the registered owner, as shown on the certificate of principal advances appearing at the end of this Bond, less the aggregate amount of the payments and any prepayments of principal which may have been made on this Bond. No notation is required to be made on this Bond of the payment or prepayment of principal. **HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.**

The issuance of this Bond has been duly authorized by the Board of Supervisors of the County by a resolution adopted February 22, 2016 (the "Resolution"), under the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended. This Bond is issued pursuant to the terms of the Financing Agreement. The County will use the proceeds of this Bond, along with other available funds, if any, to pay the costs associated with the development of a second well and construction of an above ground storage tank for the Drewryville waterworks, together with related expenses.

This Bond is a limited obligation of the County and, except to the extent payable from the proceeds of the sale of this Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Net Revenues Available for Debt Service, including amounts that may be appropriated from time to time by the Board of Supervisors of the County pursuant to Section 5.4 of the Financing Agreement. **THE LIEN OF THIS PLEDGE IS ON PARITY WITH THE LIEN OF THE PLEDGE SECURING ANY PARITY BONDS AND EXISTING PARITY BONDS, IF ANY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING SOUTHAMPTON COUNTY, VIRGINIA, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND COST OF FUNDS ON THIS BOND OR THE OTHER COSTS INCIDENT TO IT EXCEPT FROM THE REVENUES AND ANY OTHER MONEY OR PROPERTY PLEDGED FOR SUCH PURPOSE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING SOUTHAMPTON COUNTY, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND COST OF FUNDS ON THIS BOND OR OTHER COSTS INCIDENT TO IT. THE ISSUANCE OF THIS BOND DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING SOUTHAMPTON COUNTY, VIRGINIA, TO LEVY ANY TAXES FOR THE PAYMENT OF THIS BOND.**

The obligations of the County under this Bond shall terminate when all amounts due and to become due pursuant to this Bond and the Financing Agreement have been paid in full.

The lien of the pledge of the Net Revenues Available for Debt Service securing payment of this Bond is as set forth pursuant to the terms and conditions of the Financing Agreement and such lien is on a parity with the lien securing the Existing Parity Bonds. The County may issue

additional bonds ranking on a parity with this Bond with respect to the pledge of the Net Revenues Available for Debt Service under the terms of the Financing Agreement.

This Bond may be prepaid in accordance with the terms of the Financing Agreement.

If an Event of Default occurs, the principal of and Costs of Funds on this Bond may be declared immediately due and payable by the registered owner of this Bond by written notice to the County, as provided in the Financing Agreement.

This Bond may be transferred only by an assignment duly executed by the registered owner or such owner's attorney or legal representative in form satisfactory to the County Administrator, as registrar. Such transfer shall be made in the registration books kept by the County Administrator, as registrar, upon presentation and surrender of this Bond.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[Signature Page Follows]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Southampton, Virginia has caused this Bond to be signed by the Chairman of the Board of Supervisors and the County's seal to be affixed and attested by the signature of the Clerk of the Board of Supervisors.

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____
Chairman, Board of Supervisors

[SEAL]

ATTEST:

Clerk, Board of Supervisors

Certificate of Advances

The principal sum payable under this Bond, not to exceed \$150,000, shall be an amount equal to the aggregate of all principal advances noted below. The aggregate amount of all principal advances under this Bond shall be certified by an authorized representative of the registered owner of this Bond.

<u>Amount</u>	<u>Date</u>	<u>Authorized Signature</u>
\$ _____	_____, 2016	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE.)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

this Bond and does irrevocably constitute and appoint _____, attorney, to transfer this Bond on the books kept for its registration, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association which is a member of a medallion program approved by The Securities Transfer Association, Inc.)

Registered Owner
(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the books kept for registration of this Bond in every particular, without alteration or change.)

August 24, 2015

Mr. Michael W. Johnson
County Administrator
Southampton County
P.O. Box 400
Courtland, VA 23837

Re: **Virginia Water Supply Revolving Fund
Southampton County, Virginia
WSL-24-13 (Drewryville Resiliency Improvements Project)**

Dear Mr. Johnson:

Virginia Resources Authority (the "Authority") is pleased to advise you that the Virginia Department of Health (the "Department of Health") has authorized funding from the Virginia Water Supply Revolving Fund (the "Fund") to Southampton County, Virginia (the "County"). The funding consists of a principal repayment loan in an amount up to \$72,875 (the "Principal Repayment Loan") and a principal forgiveness loan in an amount up to \$72,875 (the "Principal Forgiveness Loan") for a total funding package of up to \$145,750 (the "Loan"). The cost of funds on the Principal Repayment Loan will be 2.50%, comprised of interest to the Fund of 1.00% and a fee of 1.50% for administrative and management services attributable to the Principal Repayment Loan. Principal Repayment Loan payments will begin approximately six months after Project completion for a term of thirty years.

The Loan will be used to finance the development of a second well and construction of an above ground storage tank for the Drewryville area, together with related expenses (the "Project"). The Authority offers to extend to the County the Loan as stated, subject to the satisfaction of the conditions to purchase the County's Local Bond as set forth in the enclosed Financing Agreement (Sections 2.1, 3.1, and 3.2). A Funding Agreement for the Principal Forgiveness Loan is also enclosed.

It is understood the Principal Repayment Loan will be secured by a pledge of revenues from the County's water and wastewater system, supplemented by the moral obligation of the County. Unless otherwise agreed by the Authority, the County's Local Bond evidencing the Principal Repayment Loan shall be issued on a parity basis with all outstanding bonds secured by the County's water and wastewater system revenues.

Loan closing and the disbursement of funds thereunder may be subject to the receipt of requisite funding from the (a) United States Environmental Protection Agency of the Capitalization

Mr. Michael W. Johnson
August 24, 2015
Page 2

Grant under the Safe Drinking Water Amendments of 1996 and (b) Commonwealth of Virginia Match Grant.

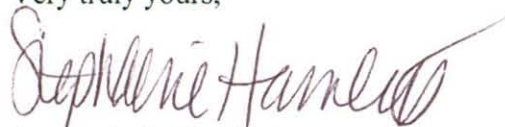
Loan closing and the disbursement of funds in connection therewith shall remain subject to satisfaction of any condition prerequisite thereto established by the Department of Health. The County shall comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof by the Fund, including, but not limited to, the federal "crosscutting" requirements listed in the attached Schedule A for convenience.

The Authority reserves the right to withdraw or alter the terms of this commitment if, between the date of the County's loan application and the date of closing, the County incurs any debt or its financial condition changes in any way deemed material by the Authority in its sole discretion.

If you have any questions concerning the foregoing, please call Joe Bergeron of my staff at 804-616-3442. **If you concur with the terms and conditions herein stated, please acknowledge your acceptance thereof by signing below and returning the original to me.** Retain a copy for your records.

If Loan closing shall not have occurred by March 31, 2016, it is understood that the Authority and the Department of Health reserve the right to modify any of the conditions of this commitment. Furthermore, authorization for funding can be withdrawn for not completing requirements in a timely manner.

Very truly yours,



Stephanie L. Hamlett

The County fully intends (i) to use the offered Loan for the Project and (ii) to commence or continue the Project, as applicable, pending closing of the Loan, on or about the 1 day of MARCH, 2016. The foregoing terms and conditions are hereby acknowledged and accepted the 26 day of JANUARY, 2015.

By: _____



County Administrator

Mr. Michael W. Johnson

August 24, 2015

Page 3

C: Bonnie M. France, Esq.
Eric E. Ballou, Esq.
Megan M. Gilliland, Esq.
Steven D. Pellei, P.E., VDH – Office of Drinking Water

SCHEDULE A
FEDERAL CROSS-CUTTING REQUIREMENTS

ENVIRONMENTAL AUTHORITIES:

Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended.

Clean Air Act, Pub. L. 84-159, as amended.

Coastal Barrier Resources Act, Pub. L. 97-348.

Coastal Zone Management Act, Pub. L. 92-583, as amended.

Endangered Species Act, Pub. L. 93-205, as amended.

Environmental Justice, Executive Order 12898.

Floodplain Management, Executive Order 11988 as amended by Executive Order 12148.

Protection of Wetlands, Executive Order 11990.

Farmland Protection Policy Act, Pub. L. 97-98.

Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended.

National Historic Preservation Act of 1966, Pub. L. 89-665, as amended.

Safe Drinking Water Act, Pub. L. 93-523, as amended.

Wild and Scenic Rivers Act, Pub. L. 90-542, as amended.

ECONOMIC AND MISCELLANEOUS AUTHORITIES:

Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372.

Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.

Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended.

Debarment and Suspension, Executive Order 12549.

SOCIAL LEGISLATION:

Age Discrimination Act of 1975, Pub. L. 94-135.

Title IV of the Civil Rights Act of 1964, Pub. L. 88-352.¹

Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act).

Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250).

The Drug-Free Workplace Act of 1988, Pub. L. 100-690 (applies only to the capitalization grant recipient).

Equal Employment Opportunity, Executive Order 11246.

Women's and Minority Business Enterprise, Executive Orders 11625, 12138 and 12432.

Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590.

Anti-Lobbying Provisions (40 CFR Part 30) [applies only to capitalization grant recipients].

¹ The Civil Rights Act and related anti-discrimination statutes apply to all the operations of the SRF program.

FINANCING AGREEMENT

dated as of _____ 1, 2015

BETWEEN

VIRGINIA RESOURCES AUTHORITY,

**as Administrator of the
Virginia Water Supply Revolving Fund**

AND

COUNTY OF SOUTHAMPTON, VIRGINIA

Virginia Resources Authority
Virginia Water Supply Revolving Fund

Loan No. WSL-24-13

Drewryville Resiliency Improvements Project

TABLE OF CONTENTS

[To Be Updated]

Page

ARTICLE I **DEFINITIONS**

Section 1.1. Definitions	1
Section 1.2. Rules of Construction	4

ARTICLE II **REPRESENTATIONS**

Section 2.1. Representations by Borrower	4
--	---

ARTICLE III **ISSUANCE AND DELIVERY OF THE LOCAL BOND**

Section 3.1. Loan to Borrower and Purchase of the Local Bond	7
Section 3.2. Conditions Precedent to Purchase of the Local Bond	7

ARTICLE IV **USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT**

Section 4.1. Application of Proceeds	9
Section 4.2. Agreement to Accomplish Project	10
Section 4.3. Permits	10
Section 4.4. Construction Contractors	11
Section 4.5. Engineering Services	11
Section 4.6. Borrower Required to Complete Project	11

ARTICLE V **PLEDGE, REVENUES AND RATES**

Section 5.1. Pledge of Revenues; Rate Covenant	11
Section 5.2. Annual Budget	12
Section 5.3. Qualified Independent Consultant's Report	12
Section 5.4. Moral Obligation	12

ARTICLE VI
PAYMENTS

Section 6.1. Payment of Local Bond13
Section 6.2. Payment of Additional Payments13

ARTICLE VII
PREPAYMENTS

Section 7.1. Prepayment of Local Bond14

ARTICLE VIII
OPERATION AND USE OF SYSTEM

Section 8.1. Ownership and Operation of Project and System14
Section 8.2. Maintenance14
Section 8.3. Additions and Modifications14
Section 8.4. Use of System15
Section 8.5. Inspection of System and Borrower’s Books and Records15
Section 8.6. Ownership of Land15
Section 8.7. Sale or Encumbrance15
Section 8.8. Collection of Revenues16
Section 8.9. No Free Service16
Section 8.10. No Competing Service16
Section 8.11. Mandatory Connection16
Section 8.12. Lawful Charges16

ARTICLE IX
INSURANCE, DAMAGE AND DESTRUCTION

Section 9.1. Insurance17
Section 9.2. Requirements of Policies17
Section 9.3. Notice of Damage, Destruction and Condemnation18
Section 9.4. Damage and Destruction18
Section 9.5. Condemnation and Loss of Title18

ARTICLE X
SPECIAL COVENANTS

Section 10.1. Maintenance of Existence18
Section 10.2. Financial Records and Statements19
Section 10.3. Certificate as to No Default19

Section 10.4. Additional Indebtedness	19
Section 10.5. Parity Bonds	19
Section 10.6. Further Assurances	21
Section 10.7. Other Indebtedness	21
Section 10.8. Assignment by Borrower	21
Section 10.9. Davis-Bacon Act	22
Section 10.10. American Iron and Steel	22
Section 10.11. Recordkeeping and Reporting	22
Section 10.12. Service Contracts	22

ARTICLE XI
DEFAULTS AND REMEDIES

Section 11.1. Events of Default	22
Section 11.2. Notice of Default	23
Section 11.3. Remedies on Default.....	23
Section 11.4. Delay and Waiver	24
Section 11.5. State Aid Intercept	24

ARTICLE XII
MISCELLANEOUS

Section 12.1. Successors and Assigns	24
Section 12.2. Amendments	24
Section 12.3. Limitation of Borrower's Liability	24
Section 12.4. Applicable Law	24
Section 12.5. Severability	25
Section 12.6. Notices	25
Section 12.7. Right to Cure Default	25
Section 12.8. Headings	26
Section 12.9. Term of Agreement	26
Section 12.10. Commitment Letter	26
Section 12.11. Counterparts	26

EXHIBITS

- Exhibit A - Form of Local Bond
- Exhibit B - Project Description
- Exhibit C - Project Budget
- Exhibit D - Opinion of Borrower's Bond Counsel
- Exhibit E - Requisition for Disbursement
- Exhibit F - Prior Bonds and Existing Parity Bonds
- Exhibit G - Form of Budget

FINANCING AGREEMENT

THIS FINANCING AGREEMENT is made as of this first day of _____, 2015, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER SUPPLY REVOLVING FUND**, and **COUNTY OF SOUTHAMPTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Borrower”).

Pursuant to Chapter 23, Title 62.1 of the Code of Virginia (1950), as amended (the “Act”), the General Assembly created a permanent and perpetual fund known as the “Virginia Water Supply Revolving Fund” (the “Fund”). In conjunction with the Board of Health, the Authority administers and manages the Fund. From the Fund, the Authority from time to time makes loans to and acquires obligations of local governments in Virginia to finance or refinance the costs of water supply facilities within the meaning of Section 62.1-233 of the Act.

The Borrower has requested a loan from the Fund and will evidence its obligation to repay such loan by the Local Bond the Borrower will issue and sell to the Authority, as Administrator of the Fund. The Borrower will use the proceeds of the sale of the Local Bond to the Authority to finance that portion of the Project Costs not being paid from other sources, all as further set forth in the Project Budget.

ARTICLE I **DEFINITIONS**

Section 1.1. Definitions. The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“**Additional Payments**” means the payments required by Section 6.2.

“**Agreement**” means this Financing Agreement between the Authority and the Borrower, together with any amendments or supplements hereto.

“**Annual Administrative Fee**” means the portion of the Cost of Funds specified in Section 6.1(a)(ii) payable as an annual fee for administrative and management services attributable to the Local Bond.

“**Authorized Representative**” means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

“**Board**” means the Virginia Board of Health.

“Closing Date” means the date of the delivery of the Local Bond to the Authority, as Administrator of the Fund.

“Commitment Letter” means the commitment letter from the Authority to the Borrower, dated _____, 2015, and all extensions and amendments thereto.

“Consulting Engineer” means the engineer or firm of independent consulting engineers of recognized standing and experienced in the field of sanitary engineering and registered to do business in Virginia which is designated by the Borrower from time to time as the Borrower’s consulting engineer in accordance with Section 4.5 in a written notice to the Authority. Such individual or firm shall be subject to the reasonable approval of the Authority. Unless and until the Authority notifies the Borrower otherwise, any of the Borrower’s employees that are licensed and registered as professional engineers in the Commonwealth of Virginia may serve as Consulting Engineer under this Agreement.

“Cost of Funds” means interest, including the part thereof allocable to the Annual Administrative Fee, payable as set forth in Section 6.1.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Department” means the Virginia Department of Health.

“Event of Default” shall have the meaning set forth in Section 11.1.

“Existing Parity Bonds” means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described on Exhibit E, that on the date of the Local Bond’s issuance and delivery were secured by or payable from a pledge of Revenues on a parity with the pledge of Revenues securing the Local Bond.

“Fiscal Year” means the period of twelve months established by the Borrower as its annual accounting period.

“Funding Agreement” means the Funding Agreement, dated as of the date hereof, between the Authority, as Administrator of the Fund, and the Borrower.

“Local Bond” means the bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Authority, as Administrator of the Fund, pursuant to this Agreement.

“Local Bond Proceeds” means the proceeds of the sale of the Local Bond to the Authority, as Administrator of the Fund, pursuant to this Agreement.

“Local Resolution” means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement and the execution, issuance and delivery of the Local Bond.

“Net Proceeds” means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorneys’ fees and expenses of the Authority and all other expenses incurred in the collection of such gross proceeds.

“Net Revenues Available for Debt Service” means the Revenues less amounts necessary to pay Operation and Maintenance Expense.

“Operation and Maintenance Expense” means the costs of operating and maintaining the System determined pursuant to generally accepted accounting principles, exclusive of (i) interest on any debt secured by or payable from Revenues, (ii) depreciation and any other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring annually or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

“Opinion of Counsel” means a written opinion of recognized bond counsel, acceptable to the Authority.

“Parity Bonds” means bonds, notes or other evidences of indebtedness of the Borrower issued under Section 10.5.

“Prior Bonds” means any of the Borrower’s bonds, notes or other evidences of indebtedness, as further described in Exhibit F, that on the date of the Local Bond’s issuance and delivery were secured by or payable from a pledge of Revenues all or any portion of which was superior to the pledge of Revenues securing the Local Bond.

“Project” means the particular project described in Exhibit B, the costs of the construction, acquisition or equipping of which are to be financed or refinanced in whole or in part with the Local Bond Proceeds.

“Project Budget” means the budget for the financing or the refinancing of the Project, a copy of which is attached to this Agreement as Exhibit C, with such changes therein as may be approved in writing by the Authority.

“Project Costs” means the costs of the construction, acquisition or equipping of the Project, as further described in the Project Budget, and such other costs as may be approved in writing by the Authority, provided such costs are permitted by the Act.

“Qualified Independent Consultant” shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation a Consulting Engineer, so long as such individual is not an employee of the Borrower, and an independent certified public accountant or firm of independent certified public accountants. Such individual or firm shall be subject to the reasonable approval of the Authority.

“Revenues” means (i) all rates, fees, rentals, charges and income properly allocable to the System in accordance with generally accepted accounting principles or resulting from the Borrower’s ownership or operation of the System, excluding customer and other deposits subject to refund until such deposits have become the Borrower’s property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Borrower, (iv) amounts appropriated by the Borrower pursuant to Section 5.4 hereof, and (v) any other income from other sources pledged by the Borrower to the payment of its Local Bond.

“Service Contracts” means the sewer agreement dated June 15, 1993 between the Borrower and the City of Franklin, Virginia (the “City”), the revenue sharing agreement dated November 6, 1996 between the Borrower and the City and the water agreement dated June 25, 2007 between the Borrower and the City.

“Subordinate Bonds” means bonds, notes or other evidences of indebtedness of the Borrower described on Exhibit F, secured by or payable from a pledge of Revenues expressly made subordinate to the pledge of Revenues securing the payment of the Local Bond.

“System” means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Borrower and used in connection with the collection, supply, treatment, storage or distribution of water or the collection or treatment of wastewater.

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

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

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

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II **REPRESENTATIONS**

Section 2.1. Representations by Borrower. The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing “local government” (as defined in Section 62.1-233 of the Act) of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Local Resolution and execute and deliver this Agreement and the other documents related thereto, (ii) issue, sell and deliver the Local Bond to the Authority, as Administrator of the Fund, (iii) own and operate the System, (iv) fix, charge and collect charges for the use of and for the services furnished by the System, (v) construct, acquire or equip the Project (as described in Exhibit B) and finance or refinance the Project Costs by borrowing money for such purpose pursuant to this Agreement and the issuance of the Local Bond, (vi) pledge the Revenues of the System to the payment of the Local Bond, and (vii) carry out and consummate all of the transactions contemplated by the Local Resolution, this Agreement and the Local Bond.

(c) This Agreement and the Local Bond were duly authorized by the Local Resolution and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Local Resolution was adopted.

(d) All governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower's adoption of the Local Resolution, (ii) the execution and delivery by the Borrower of this Agreement and the Local Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, (iv) the acquisition, construction, equipping, occupation, operation and use of the Project, and (v) the operation and use of the System. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations and approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement has been executed and delivered by a duly authorized official of the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(f) When executed and delivered in accordance with the Local Resolution and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

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

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any

such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement or the Local Bond and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under this Agreement or the Local Bond. The execution and delivery by the Borrower of this Agreement or the Local Bond and the compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) There are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Resolution, this Agreement or the Local Bond or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Resolution, this Agreement, the Local Bond or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Resolution, this Agreement or the Local Bond, (v) in any way affecting or contesting the undertaking of the Project, or (vi) contesting or challenging the power of the Borrower to pledge the Revenues to the payment of the Local Bond.

(k) There have been no defaults by any contractor or subcontractor under any contract made by the Borrower in connection with the construction or equipping of the Project.

(l) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Authority.

(m) Except as may otherwise be approved by the Authority or permitted by the terms of this Agreement, the System at all times is and will be owned by the Borrower and will not be operated or controlled by any other entity or person.

(n) There is no indebtedness of the Borrower secured by or payable from a pledge of Revenues on a parity with or prior to the lien of the pledge of Revenues securing the Local Bond except any Existing Parity Bonds or Prior Bonds set forth on Exhibit F.

(o) Each of the Service Contracts is in full force and effect; no default or event of default has occurred and is continuing under any of the Service Contracts; and the Borrower is not currently aware of any fact or circumstance that would have an adverse impact

on the Borrower's ability to set rates, to receive payments, or to exercise any other rights and remedies available to the Borrower, under or pursuant to any of the Service Contracts.

- (p) No Event of Default or Default has occurred and is continuing.

ARTICLE III **ISSUANCE AND DELIVERY OF THE LOCAL BOND**

Section 3.1. Loan to Borrower and Purchase of the Local Bond. The Borrower agrees to borrow from the Authority and the Authority agrees to lend to the Borrower, from the Fund, the principal amount equal to the sum of the principal disbursements made pursuant to Section 4.1, but not to exceed \$_____ for the purposes herein set forth, a portion of which may be made from federal financial assistance. The Borrower's obligation shall be evidenced by the Local Bond, which shall be in substantially the form of Exhibit A attached hereto and made a part hereof and delivered to the Authority on the Closing Date. The Local Bond shall be in the original principal amount of the loan and shall mature, bear a Cost of Funds and be payable as hereinafter provided.

Section 3.2. Conditions Precedent to Purchase of the Local Bond. The Authority shall not be required to make the loan to Borrower and purchase the Local Bond unless the Authority shall have received the following, all in form and substance satisfactory to the Authority:

- (a) The Local Bond and the Funding Agreement.
- (b) A certified copy of the Local Resolution.
- (c) A certificate of appropriate officials of the Borrower as to the matters set forth in Section 2.1 and such other matters as the Authority may reasonably require.
- (d) A closing certificate from the Department certifying that the Project is in compliance with all federal and state laws and project requirements applicable to the Fund.
- (e) A certificate of the Consulting Engineer estimating the total Project Costs to be financed with the Local Bond Proceeds, which estimate is in an amount and otherwise compatible with the financing plan described in the Project Budget.
- (f) A certificate of the Consulting Engineer to the effect that in the opinion of the Consulting Engineer (i) the Project will be a part of the System, and (ii) the Local Bond Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.
- (g) A certificate, including supporting documentation, of a Qualified Independent Consultant that in the opinion of the Qualified Independent Consultant, during the first two complete Fiscal Years of the Borrower following completion of the Project, the

projected Net Revenues Available for Debt Service will satisfy the rate covenant made by the Borrower in Section 5.1(a). In providing this certificate, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person or entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues to be derived under existing contractual arrangements entered into by the Borrower and from reasonable estimates of growth in the consumer base of the Borrower.

(h) A certificate of the Consulting Engineer as to the date the Borrower is expected to complete the acquisition, construction and equipping of the Project.

(i) Evidence satisfactory to the Authority that all governmental permits, licenses, registrations, certificates, authorizations and approvals for the Project required to have been obtained as of the date of the delivery of this Agreement have been obtained and a statement of the Consulting Engineer that he knows of no reason why any future required governmental permits, licenses, registrations, certificates, authorizations and approvals cannot be obtained as needed.

(j) Evidence satisfactory to the Authority that the Borrower has obtained or has made arrangements satisfactory to the Authority to obtain any funds or other financing for the Project as contemplated in the Project Budget.

(k) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(l) An Opinion of Counsel, substantially in the form of Exhibit D, addressed to the Fund and the Authority.

(m) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(n) Evidence satisfactory to the Authority that the Borrower has complied with the insurance provisions set forth in Sections 9.1 and 9.2 hereof.

(o) Evidence that the Borrower has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing agreements for the Existing Parity Bonds.

(p) Evidence satisfactory to the Authority that each of the Service Contracts is in full force and effect and that they are binding and enforceable agreements as to each of the Borrower and the other parties to such agreements.

(q) Such other documentation, certificates and opinions as the Authority, the Board or the Department may reasonably require.

ARTICLE IV
USE OF LOCAL BOND PROCEEDS AND CONSTRUCTION OF PROJECT

Section 4.1. Application of Proceeds.

(a) The Borrower agrees to apply the Local Bond Proceeds solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs and further agrees to exhibit to the Board or the Authority receipts, vouchers, statements, bills of sale or other evidence of the actual payment of such Project Costs. The Authority shall disburse money from the Fund to or for the account of the Borrower not more frequently than once each calendar month (unless otherwise agreed by the Authority and the Borrower) upon receipt by the Authority (with a copy to be furnished to the Board) of the following:

(1) A requisition (upon which the Authority, the Board and the Department shall be entitled to rely) signed by an Authorized Representative and containing all information called for by, and otherwise being in the form of, Exhibit E to this Agreement;

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

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

(ii) a certificate, signed by an Authorized Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of the requisition.

Upon receipt of each such requisition and accompanying certificate or certificates and approval thereof by the Board, the Authority shall disburse Local Bond Proceeds hereunder to or for the account of the Borrower in accordance with such requisition in an amount and to the extent approved by the Board and shall note the date and amount of each such disbursement on a schedule of principal disbursements to be included on the Local Bond. The Authority shall have no obligation to disburse any such Local Bond Proceeds if the Borrower is in default hereunder nor shall the Board have any obligation to approve any requisition if the Borrower is not in compliance with the terms of this Agreement.

(b) The Borrower shall comply with all applicable laws of the Commonwealth of Virginia, including but not limited to, the Virginia Public Procurement Act, as amended, regarding the awarding and performance of public construction contracts related to the Project.

Except as may otherwise be approved by the Board, disbursements shall be held at ninety-five percent (95%) of the maximum authorized amount of the Local Bond to ensure satisfactory completion of the Project. Upon receipt from the Borrower of the certificate specified in Section 4.2 and a final requisition detailing all retainages to which the Borrower is then entitled, the Authority, to the extent approved by the Board and subject to the provisions of this Section and Section 4.2, will disburse to or for the account of the Borrower Local Bond Proceeds to the extent of such approval.

The Authority shall have no obligation to disburse Local Bond Proceeds in excess of the amount necessary to pay for approved Project Costs. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, principal installments due on the Local Bond shall be reduced only in accordance with Section 6.1.

Section 4.2. Agreement to Accomplish Project. The Borrower agrees to cause the Project to be acquired, constructed, expanded, renovated or equipped as described in Exhibit B and in accordance with the Project Budget and the plans, specifications and designs prepared by the Consulting Engineer and approved by the Board. The Borrower shall use its best efforts to complete the Project by the date set forth in the certificate provided to the Authority pursuant to Section 3.2(h). All plans, specifications and designs shall be approved by all applicable regulatory agencies. The Borrower agrees to maintain complete and accurate books and records of the Project Costs and permit the Authority and the Board through their duly authorized representatives to inspect such books and records at any reasonable time. The Borrower and the Authority, with the consent of the Board, may amend the description of the Project set forth in Exhibit B.

When the Project has been completed, the Borrower shall promptly deliver to the Authority and the Board a certificate signed by an Authorized Representative of the Borrower and by the Consulting Engineer stating (i) that the Project has been completed substantially in accordance with this Section, the plans and specifications as amended from time to time, as approved by the Board, and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the date of such completion, (iii) that all certificates of occupancy or other material permits necessary for the Project's use, occupancy and operation have been issued or obtained, and (iv) the amount, if any, to be reserved for payment of Project Costs.

Section 4.3. Permits. The Borrower, at its sole cost and expense, shall comply with, and shall obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the Project. The Borrower shall, upon request, promptly furnish to the Authority and the Board copies of all such permits, consents and approvals. The Borrower shall also comply with all lawful program or procedural guidelines or requirements duly promulgated and amended from time to time by the Board in connection with the acquisition, construction, equipping, occupation, operation or use of projects financed from the Fund under the Act. The Borrower shall also comply in all respects with all applicable federal laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof from the Fund, including, but not limited to, the federal

“crosscutting” requirements identified in Schedule A of the Commitment Letter. Where noncompliance with such requirements is determined by the Authority or the Board, the issue shall be referred to the proper federal authority or agency for consultation or enforcement action.

Section 4.4. Construction Contractors. Each construction contractor employed in the accomplishment of the Project shall be required in the construction contract to furnish a performance bond and a payment bond each in an amount equal to one hundred percent (100%) of the particular contract price. Such bonds shall list the Borrower, the Fund, the Authority and the Board as beneficiaries. Each contractor shall be required to maintain during the construction period covered by the particular construction contract builder’s risk insurance, workers’ compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Consulting Engineer. Upon request of the Authority or the Board, the Borrower shall cause each contractor to furnish evidence of such bonds and insurance to the Authority and the Board.

Section 4.5. Engineering Services. The Borrower shall retain a Consulting Engineer to provide engineering services covering the operation of the System and the supervision and inspection of the construction of the Project. The Consulting Engineer shall certify to the Fund, the Authority and the Board as to the various stages of the completion of the Project as disbursements of Local Bond Proceeds are requested and shall upon completion of the Project provide to the Fund, the Authority and the Board the certificates required by Sections 4.1 and 4.2.

Section 4.6. Borrower Required to Complete Project. If the Local Bond Proceeds are not sufficient to pay in full the cost of the Project, the Borrower will complete the Project at its own expense and shall not be entitled to any reimbursement therefor from the Fund, the Authority or the Board or any abatement, diminution or postponement of the Borrower’s payments under the Local Bond or this Agreement.

ARTICLE V

PLEDGE, REVENUES AND RATES

Section 5.1. Pledge of Revenues; Rate Covenant. Subject to the Borrower’s right to apply Revenues to the payment of Operation and Maintenance Expense, the Revenues are hereby pledged to the Authority, as Administrator of the Fund, to secure the payment of the principal of and Cost of Funds on the Local Bond and the payment and performance of the Borrower’s obligations under this Agreement. This pledge shall be valid and binding from and after the execution and delivery of this Agreement. The Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. The lien of this pledge of the Revenues is on a parity with the lien of the pledge of the Revenues securing the Existing Parity Bonds. The lien of this pledge shall, subject to the right of the Borrower to apply Revenues to the payment of Operation and Maintenance Expense, have priority over all other obligations and liabilities of the Borrower, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge.

(a) The Borrower covenants and agrees that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 100% of the amount required during the Fiscal Year to pay the principal of and Cost of Funds on the Local Bond, the Additional Payments and all other indebtedness of the Borrower secured by or payable from Revenues including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. If, for any reason, the Revenues are insufficient to satisfy the foregoing covenant, the Borrower shall within ninety (90) days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expense so as to provide sufficient Revenues to satisfy such requirement.

(b) On or before the last day of each Fiscal Year, the Borrower shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Borrower's rates, fees and other charges are insufficient to satisfy the rate covenant in subsection (a) of this Section, the Borrower shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operations and Maintenance Expense to cure any deficiency.

Section 5.2. Annual Budget. The Borrower agrees before the first day of each Fiscal Year to adopt a budget for such Fiscal Year containing all information called for by, and otherwise being in the form of, Exhibit G to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Borrower, the Revenues estimated to be generated thereby, the expenditures anticipated by the Borrower for operations, maintenance, repairs, replacements, improvements, debt service and other purposes, and specifically identifying any transfers to be made from the Borrower's general fund in accordance with Section 5.4. Such budget as approved by the Borrower's governing body is referred to in this Agreement as the Annual Budget. The Borrower may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in a Default. The Borrower shall submit a copy of the Annual Budget and any amendments thereto to the Authority.

Section 5.3. Qualified Independent Consultant's Report. (a) If at the end of any Fiscal Year, the Borrower is not in compliance with the rate covenant made by the Borrower in Section 5.1(a), within two hundred ten (210) days after the end of such Fiscal Year, the Borrower shall obtain a report from the Qualified Independent Consultant giving advice and making recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Borrower to satisfy the rate covenant in Section 5.1(a). The Borrower shall promptly furnish a copy of such report to the Authority and, subject to Section 5.3(b), take measures to implement the recommendations of the Qualified Independent Consultant within ninety (90) days of obtaining such report.

(b) If the Borrower determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Borrower may in lieu thereof adopt other procedures which the Borrower believes will bring it into compliance with the rate covenant

made by the Borrower in Section 5.1(a) when such measures have been implemented and become fully effective. Such alternative plan shall be filed with the Authority not later than thirty (30) days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Borrower's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, the Authority reserves the right, in its sole discretion, to reject such alternate procedures and require the Borrower to comply with the Qualified Independent Consultant's recommendations.

Section 5.4. Moral Obligation. (a) No later than May 15 of each year beginning May 15, 20__, the County Administrator of the Borrower (the "County Administrator") shall notify the Authority in writing of the amount by which Net Revenues Available for Debt Service (calculated by excluding from Revenues any amounts to be or expected to be appropriated or paid pursuant to this Section 5.4) is expected in the next ensuing Fiscal Year to be insufficient to pay any amounts due under this Agreement or the Local Bond (collectively, the "Annual Deficiency Amount").

(b) The Borrower hereby directs the County Administrator to include the Annual Deficiency Amount in the budget submitted to the governing body of the Borrower (the "Board of Supervisors") for the next ensuing Fiscal Year. The County Administrator shall deliver to the Authority within ten days after the adoption of the Borrower's budget for each Fiscal Year, but not later than July 15 of each year, a certificate stating whether the Board of Supervisors has approved and included an amount equal to the Annual Deficiency Amount in the adopted Borrower budget for such Fiscal Year.

(c) If the Borrower fails to make any payment due on the Local Bond within ten days of its due date or any other payment required hereunder within fifteen (15) days of demand therefor, the Authority shall promptly notify the Borrower of such fact and the amount of any deficiency due hereunder. In such event, the County Administrator of the Borrower shall, on or before the fifth day of the month following the month in which the Borrower shall have been notified of the deficiency, deliver to the Borrower's Board of Supervisors a certificate stating the amount of the deficiency accompanied by a request that the Board of Supervisors appropriate and pay to the Authority from general funds of the Borrower an amount sufficient to cure the deficiency.

(d) The Borrower agrees that the Board of Supervisors will consider each request for appropriation made pursuant to subsection (c) above at its next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. The Borrower shall notify the Authority promptly after such meeting as to whether the amount so required was appropriated. If the Board of Supervisors shall fail to make such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the Board of Supervisors for the next Fiscal Year.

(e) The Borrower shall pay to the Authority the amount of any appropriation made pursuant to this Section 5.4. The Borrower and the Authority acknowledge that any amounts appropriated pursuant to this Section 5.4 are pledged to secure the payment of principal of and Cost of Funds on the Local Bond and amounts due under the Financing Agreement, as the case may be.

(f) The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to subsections (b) and (c) above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future Fiscal Years, hereby states its intent to make such appropriations in future Fiscal Years, and hereby recommends that future Boards of Supervisors do likewise.

(g) Nothing contained in this Section 5.4 is or shall be deemed to be a lending of the credit of the Borrower to the Authority or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the Borrower. Nothing contained in this Section shall bind or obligate the Board of Supervisors to appropriate funds for the purposes described herein.

ARTICLE VI **PAYMENTS**

Section 6.1. Payment of Local Bond. (a) The Local Bond shall be dated the date of its delivery to the Authority. The Cost of Funds on the Local Bond shall be computed on disbursed principal balance thereof from the date of each disbursement at the rate of two and fifty one-hundredths percent (2.50%) per annum, consisting of the following:

(i) interest of one percent (1.00%) per annum payable for the benefit of the Fund, and

(ii) one and fifty one-hundredths percent (1.50%) per annum payable as an Annual Administrative Fee.

(b) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on _____ 1, 20___. Commencing _____, 20__ and continuing semi-annually thereafter on _____ 1 and _____ 1 in each year, principal and Cost of Funds due under the Local Bond shall be payable in equal installments of \$_____, with a final installment of \$_____ due and payable on _____ 1, 20___, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment. If any installment of principal or Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.

Section 6.2. Payment of Additional Payments. In addition to the payments of principal of and Cost of Funds on the Local Bond, the Borrower agrees to pay on demand of the Authority the following Additional Payments:

(1) The costs of the Fund, the Authority, the Department or the Board in connection with the enforcement of this Agreement, including the reasonable fees and expenses of any attorneys used by any of them; and

(2) All expenses, including reasonable attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof.

The Borrower agrees to pay interest on any Additional Payments enumerated in (1) or (2) above not received by the Authority within ten (10) days after demand therefor at a rate of five percent (5.0%) per annum of the overdue installment from its due date until the date it is paid.

ARTICLE VII **PREPAYMENTS**

Section 7.1. Prepayment of Local Bond. At its option and after giving at least ten (10) days' written notice to the Authority, the Borrower may prepay the Local Bond at any time, in whole or in part and without penalty. Such written notice shall specify the date on which the Borrower will make such prepayment and whether the Local Bond will be prepaid in full or in part, and if in part, the principal amount to be prepaid. Any such partial prepayment shall be applied against the principal amount outstanding under the Local Bond but shall not postpone the due date of any subsequent payment on the Local Bond, or change the amount of such installment, unless the Borrower and the Authority agree otherwise in writing.

ARTICLE VIII **OPERATION AND USE OF SYSTEM**

Section 8.1. Ownership and Operation of Project and System. Except as may otherwise be approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person.

Section 8.2. Maintenance. At its own cost and expense, the Borrower shall operate the System in a proper, sound and economical manner and in compliance with all legal requirements, shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

Section 8.3. Additions and Modifications. At its own expense, the Borrower from time to time may make any additions, modifications or improvements to the System which it deems desirable and which do not materially reduce the value of the System or the structural or

operational integrity of any part of the System, provided that all such additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

Section 8.4. Use of System. The Borrower shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational and other changes to the System, irrespective of the cost of making the same.

Section 8.5. Inspection of System and Borrower's Books and Records. The Authority and the Board and their duly authorized representatives and agents shall have such reasonable rights of access to the System as may be necessary to determine whether the Borrower is in compliance with the requirements of this Agreement and shall have the right at all reasonable times and upon reasonable prior notice to the Borrower to examine and copy the books and records of the Borrower insofar as such books and records relate to the System.

Section 8.6. Ownership of Land. The Borrower shall not construct, reconstruct or install any part of the System on lands other than those which the Borrower owns or can acquire title to or a perpetual easement over, in either case sufficient for the Borrower's purposes, unless such part of the System is lawfully located in a public street or highway or is a main, conduit, pipeline, main connection or facility located on land in which the Borrower has acquired a right or interest less than a fee simple or perpetual easement and such lesser right or interest has been approved by written opinion of counsel to the Borrower as sufficient for the Borrower's purposes.

Section 8.7. Sale or Encumbrance. No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except as provided in any one of the following subsections, or as may be otherwise consented and agreed to by the Authority in writing:

(a) The Borrower may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System;

(b) The Borrower may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function; and

(c) The Borrower may sell or otherwise dispose of property constituting part of the System; provided, however, (i) no such property shall be sold or otherwise disposed of unless there is filed with the Authority a certificate of the Borrower, signed by an Authorized Representative, stating that such property is no longer needed or useful in the operation of the System, and, if the proceeds of such sale or disposition, together with the aggregate value of any other property sold or otherwise disposed of during the Fiscal Year, shall exceed \$125,000, there

shall also be filed with the Borrower and the Authority a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System, and (ii) the proceeds to be received from any sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of and Cost of Funds on the Local Bond, and then, if such property constitutes part of the Project, to the prepayment of the Local Bond under Article VII hereof.

Section 8.8. Collection of Revenues. The Borrower shall use its best efforts to collect all rates, fees and other charges due to it, including, when appropriate, by perfecting liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Borrower shall, to the full extent permitted by law, discontinue and shut off, or cause to be discontinued and shut off, services and facilities of the System, and use its best efforts to cause to be shut off water service furnished otherwise than through the System, to customers of the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Borrower.

Section 8.9. No Free Service. The Borrower shall not permit connections with or the use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Borrower's uniform schedule of rates, fees and charges.

Section 8.10. No Competing Service. The Borrower shall not provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

Section 8.11. Mandatory Connection. The Borrower shall, consistent with applicable law, require the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect such building to the System; provided, however, the Borrower may permit the continued use of private systems, meeting the standards of the Board, by any such building already in existence at the time the services of the System become available to it upon such conditions as may be specified by the Borrower.

Section 8.12. Lawful Charges. The Borrower shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the System or the Borrower's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Borrower shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the System or the Revenues (collectively, the "Mechanics' Charges"). The Borrower, however, after giving the Authority ten (10) days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Borrower may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in the reasonable opinion of the Authority, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics' Charges promptly shall be satisfied or secured by posting with the Authority or an

appropriate court a bond in form and amount reasonably satisfactory to the Authority. Upon request, the Borrower shall furnish to the Authority proof of payment of all Governmental Charges and the Mechanics' Charges required to be paid by the Borrower under this Agreement.

ARTICLE IX **INSURANCE, DAMAGE AND DESTRUCTION**

Section 9.1. Insurance. Unless the Authority otherwise agrees in writing, the Borrower continuously shall maintain or cause to be maintained insurance against such risks as are customarily insured against by public bodies operating systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System's insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia); provided that during the construction of the Project, the Borrower may provide or cause to be provided, in lieu of the insurance in the amount of the full replacement cost of the Project, builders' risk or similar types of insurance in the amount of the full replacement cost thereof. The determination of replacement cost shall be made by a recognized appraiser or insurer selected by the Borrower and reasonably acceptable to the Authority.

(b) Comprehensive general liability insurance with a combined single limit of \$2,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Borrower qualifies as a self-insurer under the laws of Virginia, workers' compensation insurance.

The Authority shall not have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance, or (ii) the application of the proceeds of insurance.

The Borrower shall provide no less often than annually and upon the written request of the Authority a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in full force and effect.

Section 9.2. Requirements of Policies. All insurance required by Section 9.1 shall be maintained with generally recognized, responsible insurance companies selected by the Borrower and reasonably acceptable to the Authority. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System and shall contain an undertaking by the insurer that such policy shall not be modified adversely to the interests of, or canceled without at least thirty (30) days' prior notice to, the Authority. If any such insurance is not maintained with an insurer

licensed to do business in Virginia or placed pursuant to the requirements of the Virginia Surplus Lines Insurance Law (Chapter 48, Title 38.2, Code of Virginia of 1950, as amended) or any successor provision of law, the Borrower shall provide evidence reasonably satisfactory to the Authority that such insurance is enforceable under Virginia law.

Section 9.3. Notice of Damage, Destruction and Condemnation. In the case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part of the System or any right therein under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title, or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 9.4. Damage and Destruction. If all or any part of the System is destroyed or damaged by fire or other casualty, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage or destruction, with such alterations and additions as the Borrower may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Borrower may apply so much as may be necessary of the Net Proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bond pursuant to Article VII.

Section 9.5. Condemnation and Loss of Title. If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Borrower shall not have exercised its option to prepay in full the Local Bond pursuant to Article VII, the Borrower shall cause the Net Proceeds from any such condemnation award or from title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Borrower shall pay so much of the cost as may be in excess of such Net Proceeds. If the Net Proceeds are derived from property constituting part of the Project, any balance of such Net Proceeds remaining after payment of the cost of such restoration shall promptly be applied to prepayment of the Local Bond pursuant to Article VII.

ARTICLE X **SPECIAL COVENANTS**

Section 10.1. Maintenance of Existence. The Borrower shall maintain its existence as a “local government” (as defined in the Act) of the Commonwealth of Virginia and, without consent of the Authority and the Board, shall not dissolve or otherwise dispose of all or

substantially all of its assets or consolidate or merge with or into another entity. Notwithstanding the foregoing, the Borrower may consolidate or merge with or into, or sell or otherwise transfer all or substantially all of its assets to a political subdivision of the Commonwealth of Virginia, and the Borrower thereafter may dissolve, if the surviving, resulting or transferee political subdivision, if other than the Borrower, assumes, in written form acceptable to the Authority and the Board, all of the obligations of the Borrower contained in the Local Bond and this Agreement, and there is furnished to the Authority and the Board an Opinion of Counsel acceptable to the Authority and the Board subject to customary exceptions and qualifications, to the effect that such assumption constitutes the legal, valid and binding obligation of the surviving, resulting or transferee political subdivision enforceable against it in accordance with its terms.

Section 10.2. Financial Records and Statements. The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the System. The Borrower shall have an annual audit of the financial condition of the Borrower (and at the reasonable request of the Authority, of the System) made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Borrower during such Fiscal Year satisfied the rate covenant made by the Borrower in Section 5.1(a). The annual audit shall be conducted in accordance with the provisions of the Single Audit Act of 1984, 31 U.S.C. §§ 7501 et seq., as amended, and the regulations promulgated thereunder, including OMB Circular No. A-133. The Borrower shall furnish to the Authority copies of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the Borrower's operations and changes in the financial position of its funds for the Fiscal Year.

Section 10.3. Certificate as to No Default. The Borrower shall deliver to the Authority, within one hundred and eighty (180) days after the close of each Fiscal Year, a certificate signed by an Authorized Representative stating that, during such year and as of the date of such certificate, no event or condition has happened or existed, or is happening or existing, which constitutes an Event of Default or a Default, or if such an event or condition has happened or existed, or is happening or existing, specifying the nature and period of such event or condition and what action the Borrower has taken, is taking or proposes to take to rectify it.

Section 10.4. Additional Indebtedness. The Borrower shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by or payable from a pledge of Revenues, except Subordinate Bonds or Parity Bonds.

Section 10.5. Parity Bonds. Provided the Borrower is not in default hereunder, the Borrower may issue bonds, notes or other evidences of indebtedness ("Parity Bonds") ranking on parity with the Local Bond with respect to the pledge of Revenues to (i) pay Project Costs to complete the Project, (ii) pay the cost of improvements, additions, extensions, replacements, equipment or betterments and of any property, rights or easements deemed by the Borrower to be necessary, useful or convenient for the System, (iii) refund some or all of the Local Bond, Parity

Bonds, Existing Parity Bonds or Prior Bonds, or (iv) effect some combination of (i), (ii) and (iii); provided in each case the following conditions are satisfied. Except to the extent otherwise consented and agreed to by the Authority in writing, before any Parity Bonds are issued or delivered, the Borrower shall deliver to the Authority the following:

(a) Certified copies of all resolutions and ordinances of the Borrower authorizing the issuance of the Parity Bonds.

(b) A certificate of an appropriate official of the Borrower setting forth the purposes for which the Parity Bonds are to be issued and the manner in which the Borrower will apply the proceeds from the issuance and sale of the Parity Bonds.

(c) If the Parity Bonds are authorized for any purpose other than the refunding of the Local Bond, Parity Bonds, Existing Parity Bonds or Prior Bonds, in form and substance satisfactory to the Authority, a certificate of the Consulting Engineer-, or with respect to subsection (iv)(C) below, a certificate, including supporting documentation, of the Qualified Independent Consultant, to the effect that in the opinion of the Consulting Engineer or Qualified Independent Consultant, as applicable, (i) the improvements or property to which the proceeds from the issuance of the Parity Bonds are to be applied will be a part of the System, (ii) the funds available to the Borrower from the issuance of the Parity Bonds and other specified sources will be sufficient to pay the estimated cost of such improvements or property, (iii) the period of time which will be required to complete such improvements or acquire such property, and (iv) (A) the Parity Bond proceeds are necessary to complete the Project, (B) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction of Revenues, or (C) during the first two complete Fiscal Years following completion of the improvements or the acquisition of the property financed with the proceeds of the Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available pursuant to Section 5.4) will equal at least 115% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bond, this Agreement, the Parity Bonds, any Existing Parity Bonds or Prior Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing this certificate, as applicable, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues of the System to be derived under then existing contractual agreements entered into by the Borrower and from reasonable estimates of growth in the customer base of the Borrower.

(d) If the Parity Bonds are authorized solely to refund the Local Bond (with the consent of the Authority), Existing Parity Bonds, Parity Bonds or Prior Bonds, either (i) a certificate, including supporting documentation, of a Qualified Independent Consultant satisfactory to the Authority that the refunding Parity Bonds will have annual debt service requirements in each of the years the Local Bond, Existing Parity Bonds, Parity Bonds or Prior Bonds to be refunded would have been outstanding which are lower than the annual debt service requirements in each

such year on the Local Bond, Existing Parity Bonds, Parity Bonds or the Prior Bonds to be refunded, or (ii) a certificate, including supporting documentation, of the Qualified Independent Consultant to the effect that during the first two complete Fiscal Years following the issuance of the refunding Parity Bonds, the projected Net Revenues Available for Debt Service (excluding any amounts made available pursuant to Section 5.4) will equal at least 115% of the amount required during each such Fiscal Year to pay any and all amounts due under the Local Bond, this Agreement, the Parity Bonds, any Existing Parity Bonds or Prior Bonds, and all other indebtedness of the Borrower secured by or payable from Revenues, including without limitation, indebtedness under leases which are treated as capital leases under generally accepted accounting principles. In providing the certificate described in clause (ii), the Consulting Engineer may take into account the factors described in the last two sentences of subsection (c) of this Section.

(e) An Opinion of Counsel satisfactory to the Authority subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bonds and stating that its terms and provisions conform with the requirements of this Agreement and that the certificates and documents delivered to the Authority constitute compliance with the provisions of this Section.

Section 10.6. Further Assurances. The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights, Revenues and other funds pledged or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledge of the Revenues and other funds pledged under this Agreement and all rights of the Authority and the Board under this Agreement against all claims and demands of all persons.

Section 10.7. Other Indebtedness. The Borrower agrees to pay when due all amounts required by any other bonded indebtedness and to perform all of its obligations in connection therewith.

Section 10.8. Assignment by Borrower. The Borrower may not assign its rights under this Agreement without the prior written consent of the Authority and the Board. If the Borrower desires to assign its rights under this Agreement to another “local government” (as defined in the Act), the Borrower shall give notice of such fact to the Authority and the Board. If the Authority and the Board consent to the proposed assignment, the Borrower may proceed with the proposed assignment, but such assignment shall not become effective until the Authority and the Board are furnished (i) an assumption agreement in form and substance satisfactory to the Authority and the Board by which the assignee agrees to assume all of the Borrower’s obligations under the Local Bond and this Agreement, and (ii) an Opinion of Counsel to the assignee, subject to customary exceptions and qualifications, that the assumption agreement, the Local Bond and this Agreement constitute legal, valid and binding obligations of the assignee enforceable against the assignee in accordance with their terms and that the assignment and assumption comply in all respects with the provisions of this Agreement. Notwithstanding the

foregoing, the assignment of the rights of the Borrower under the Local Bond and this Agreement or the assumption of the obligations thereunder by the assignee shall in no way be construed as releasing the Borrower's obligations.

Section 10.9. Davis-Bacon Act. The Borrower agrees to comply with the Davis-Bacon Act and related acts, as amended, with respect to the Project and require that all laborers and mechanics employed by contractors and subcontractors for the Project shall be paid wages at rates not less than those prevailing on projects of a similar character, as determined by the United States Secretary of Labor in accordance with Section 1450(e) of the Safe Drinking Water Act and related acts, as amended.

Section 10.10. American Iron and Steel. The Borrower agrees to comply with all federal requirements, including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76, and related Drinking Water State Revolving Fund Policy Guidelines, as amended and supplemented and in effect from time to time, with respect to the Project. Such requirements include, among other things, that all iron and steel products used for the Project are to be produced in the United States. The term "iron and steel products" is defined to mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete and construction materials.

Section 10.11. Recordkeeping and Reporting. The Borrower agrees to comply with all recordkeeping and reporting requirements under the Safe Drinking Water Act and related acts, as amended, including any reports required by a federal agency or the Authority, such as performance indicators of program deliverables, information on costs and progress with respect to the Project. The Borrower acknowledges that each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities.

Section 10.12. Service Contracts. The Borrower shall give prompt notice to the Authority of any renewal, extension, amendment, default or termination of any of the Service Contracts. The Borrower shall enforce the terms of each such agreement and use its best efforts to ensure that such agreements remain in full force and effect during the term of this Agreement.

ARTICLE XI

DEFAULTS AND REMEDIES

Section 11.1. Events of Default. Each of the following events shall be an "Event of Default":

(a) The failure to pay when due any payment of principal or Cost of Funds due hereunder or to make any other payment required to be made under the Local Bond or this Agreement;

(b) The Borrower's failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond or this Agreement and the continuation of such

failure for a period of thirty (30) days after the Authority gives the Borrower written notice specifying such failure and requesting that it be cured, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice is correctable but cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Default is corrected;

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

(d) The early termination of the Funding Agreement pursuant to Sections 5.3(b) and (c) thereof.

(e) The occurrence of a default by the Borrower under the terms of any Subordinate Bonds, Parity Bonds, Existing Parity Bonds or Prior Bonds and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder;

(f) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the System or any part thereof or of the Revenues thereof, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated, discharged or stayed on appeal within sixty (60) days after the entry thereof;

(g) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances secured by or payable from Revenues; or

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

Section 11.2. Notice of Default. The Borrower agrees to give the Authority prompt written notice if any order, decree or proceeding referred to in Section 11.1(f), (g) or (h) is entered or instituted against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default immediately upon becoming aware of the existence thereof.

Section 11.3. Remedies on Default. Whenever any Event of Default referred to in Section 11.1 shall have happened and be continuing, the Authority shall, in addition to any other remedies provided herein or by law, including rights specified in Section 62.1-237 of the Act,

have the right, at its option without any further demand or notice, to take one or both of the following remedial steps:

(a) Declare immediately due and payable all payments due or to become due on the Local Bond and under this Agreement, and upon notice to the Borrower, the same shall become immediately due and payable by the Borrower without further notice or demand; and

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due on the Local Bond and under this Agreement, to enforce any other of the Fund's, the Authority's or the Board's rights under this Agreement, or to enforce performance by the Borrower of its covenants, agreements or undertakings contained herein or in the Local Bond, which the Borrower hereby agrees are assigned to the Authority upon the occurrence of an Event of Default.

Section 11.4. Delay and Waiver. No delay or omission to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Default or Event of Default under this Agreement shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 11.5. State Aid Intercept. The Borrower acknowledges that the Authority may take any and all actions available to it under the laws of the Commonwealth of Virginia, including Section 62.1-216.1 of the Virginia Code, to secure payment of the principal of and Cost of Funds on the Local Bond, if payment of such principal or Cost of Funds shall not be paid when the same shall become due and payable.

ARTICLE XII MISCELLANEOUS

Section 12.1. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 12.2. Amendments. The Authority and the Borrower, with the written consent of the Board, shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in a writing and shall be signed by or on behalf of the Authority and the Borrower.

Section 12.3. Limitation of Borrower's Liability. Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Borrower's obligations are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Borrower and the Borrower shall not be obligated to pay the principal of or Cost of Funds on the Local Bond or other costs incident

thereto except from the Revenues and other funds pledged therefor. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

Section 12.4. Applicable Law. This Agreement shall be governed by the applicable laws of Virginia.

Section 12.5. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

Section 12.6. Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

Fund: Virginia Water Supply Revolving Fund
c/o Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219
Attention: Executive Director

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

Board: Virginia Department of Health
109 Governor Street
Richmond, VA 23219
Attention: State Health Commissioner

Borrower: County of Southampton, Virginia
P.O. Box 400
Courtland, Virginia 23837
Attention: County Administrator

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Authority, the Board and the Borrower may designate, by notice given

hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 12.7. Right to Cure Default. If the Borrower shall fail to make any payment or to perform any act required by it under the Local Bond or this Agreement, the Authority without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of interest of five percent (5.0%) per annum until paid. The Borrower's obligation under this Section shall survive the payment of the Local Bond.

Section 12.8. Headings. The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 12.9. Term of Agreement. This Agreement shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously shall have been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under this Agreement.

Section 12.10. Commitment Letter. The Commitment Letter is an integral part of this Agreement and shall survive closing hereunder.

Section 12.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as
Administrator of the Virginia Water Supply Revolving
Fund**

By: _____

Title: _____

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____

Title: _____

EXHIBIT A

**FORM OF LOCAL BOND
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13**

[To Come from Borrower's Bond Counsel]

EXHIBIT B

**PROJECT DESCRIPTION
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13**

The Project includes financing the development of a second well and construction of an above ground storage tank for the Drewryville area, together with related expenses.

EXHIBIT C
PROJECT BUDGET
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13

[To Come]

EXHIBIT D

**OPINION OF BORROWER'S BOND COUNSEL
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13**

[To Come from Borrower's Bond Counsel]

EXHIBIT E
REQUISITION FOR DISBURSEMENT
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13

[LETTERHEAD OF BORROWER]

[Date]

Steven D. Pellei, P.E., Director
Office of Drinking Water, 6th Floor
Virginia Department of Health
109 Governor Street
Richmond, VA 23219

Re: Virginia Water Supply Revolving Fund
County of Southampton, Virginia
Loan No. WSL-24-13

Dear Mr. Pellei:

This requisition, Number ____, is submitted in connection with the Financing Agreement and Funding Agreement, each dated as of _____ 1, 2015 (together, the “Agreements”) between the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund (the “Fund”), and County of Southampton, Virginia (the “Borrower”). Unless otherwise defined in this requisition, all capitalized terms used herein shall have the meaning set forth in Article I of the Agreements. The undersigned Authorized Representative of the Borrower hereby requests disbursement of loan proceeds under the Agreements in the amount of \$_____, for the purposes of payment of the Project Costs as set forth on Schedule 1 attached hereto.

Attached hereto are invoices relating to the items for which payment is requested.

The undersigned certifies that (a) the amounts requested by this requisition will be applied solely and exclusively to the payment, or the reimbursement of the Borrower for the payment, of Project Costs, and (b) any materials, supplies or equipment covered by this requisition are not subject to any lien or security interest or such lien or security interest will be released upon payment of the requisition. In addition, the undersigned certifies that the Borrower has conducted adequate oversight for compliance with the Davis-Bacon Act and related acts through (a) the review of payrolls and associated certifications, (b) the conducting of employee interviews, and (c) the posting of all wage determinations and additional classifications (as appropriate) on the work site, and through this oversight, the Borrower has determined to the best of its ability that the Project complies with the requirements of the Davis-Bacon Act and related acts. The Borrower further certifies that all products included in this request satisfy the appropriate provisions of the American Iron and Steel requirements included in the Agreement.

The undersigned further certifies that (a) no Event of Default or Default has occurred and is continuing, and no condition exists which, with the passing of time or with the giving of notice or both, would constitute an Event of Default hereunder, and (b) the representations and warranties of the Borrower contained in the Agreements are true, correct and complete and the Borrower has performed all of its obligations thereunder required to be performed as of the date hereof.

This requisition includes an accompanying Certificate of the Consulting Engineer as to the performance of the work.

Sincerely,

(Authorized Representative of the Borrower)

Attachments

cc: VDH Project Engineer (with all attachments)

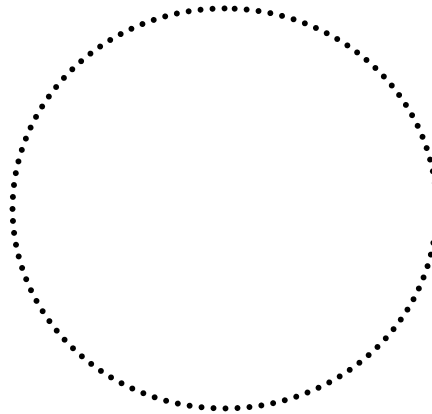
CERTIFICATE OF THE CONSULTING ENGINEER

FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT

Loan No. WSL-24-13

This Certificate is submitted in connection with Requisition Number _____, dated _____, 20__, submitted by County of Southampton, Virginia. Capitalization terms used herein shall have the same meanings set forth in Article I of the Agreements referred to in the Requisition.

The undersigned Consulting Engineer for the Borrower hereby certifies that insofar as the amounts covered by this Requisition include payments for labor or to contractors, builders or materialmen, such work was actually performed or such materials, supplies or equipment were actually furnished to or installed in the Project.



SEAL

[Consulting Engineer]

Date: _____

**SCHEDULE 1
 VIRGINIA WATER SUPPLY REVOLVING FUND
 FORM TO ACCOMPANY REQUEST FOR DISBURSEMENT**

REQUISITION # _____
BORROWER: COUNTY OF SOUTHAMPTON, VIRGINIA
LOAN NUMBER: WSL-24-13
CERTIFYING SIGNATURE: _____
TITLE: _____

Cost Category	Amount Budgeted	Previous Disbursements	Expenditures This Period	Total Expenditures to Date	Net Balance Remaining
TOTALS:					

Total Loan Amount \$ _____
Previous Disbursements \$ _____
This Request \$ _____
Loan Proceeds Remaining \$ _____

EXHIBIT F

**PRIOR BONDS AND EXISTING PARITY BONDS
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13**

[To Be Completed by Borrower's Bond Counsel]

Prior Bonds:

None

Existing Parity Bonds:

\$4,022,364.46 Water and Sewer System Revenue Bond, Series 1998

\$1,857,670 Revenue Refunding Bond, Series 2007

\$32,060,000 Water and Sewer System Revenue Bond, Series 2008

\$880,502 Water and Sewer System Revenue Bond, Series 2012

EXHIBIT G
FORM OF BUDGET
COUNTY OF SOUTHAMPTON, VIRGINIA
(Drewryville Resiliency Improvements Project)
WSL-24-13

(To Be on Borrower's Letterhead)

[Date]

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

Dear Mr./Ms. _____:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and County of Southampton, Virginia (the "County"), a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues ¹	Operation & Maintenance Expense	Net Revenues Available for Debt Service (Revenues – O&M Expense)	Debt Service	Coverage (Net Revenues Available for Debt Service/Debt Service)

¹ Of the amount set forth here as Revenues, \$_____ is derived from a transfer from the County's general fund pursuant to Section 5.4 of the Financing Agreement.

All capitalized terms used herein shall have the meaning set forth in the Financing Agreement[s].

Very truly yours,

By: _____

Its: _____

Mike Johnson

From: Mike Johnson
Sent: Thursday, February 04, 2016 2:54 PM
To: Joseph Bergeron (JBergeron@VirginiaResources.org)
Cc: Bruno, Thomas William (TBruno@mcguirewoods.com); Valentine, Ellen L. (ELValentine@mcguirewoods.com); dixon.tucker@vdh.virginia.gov; Mathis, Nathan (VDH) (Nathan.Mathis@vdh.virginia.gov); rmathews@wwassociates.net; 'Jason Clark' (jclark@wwassociates.net); Lynette Lowe; Julien Johnson; Bob Croak (BCroak@southamptoncounty.org); Dennis Beale (dbeale@southamptoncounty.org)
Subject: RE: Schedule for Drewryville Waterworks Improvements
Attachments: FY 2015 CAFR.pdf

Hi, Joe. Nate has informed me that VDH typically schedules the closings 60 days following receipt of bids – looks like that'll be mid-May. Please let me know if I need to formally request a commitment extension and what I might need to provide for your credit review update. I'm attaching a copy of our FY 2015 CAFR for your use.

Thanks,
Mike

Michael W. Johnson
County Administrator
Southampton County
26022 Administration Center Drive
Courtland, VA 23837
(757) 653-3015
www.southamptoncounty.org

From: Mike Johnson
Sent: Wednesday, February 03, 2016 9:37 AM
To: Joseph Bergeron (JBergeron@VirginiaResources.org)
Cc: Bruno, Thomas William (TBruno@mcguirewoods.com); Valentine, Ellen L. (ELValentine@mcguirewoods.com); dixon.tucker@vdh.virginia.gov; Mathis, Nathan (VDH) (Nathan.Mathis@vdh.virginia.gov); rmathews@wwassociates.net; 'Jason Clark' (jclark@wwassociates.net); Lynette Lowe; Julien Johnson; Bob Croak (BCroak@southamptoncounty.org); Dennis Beale (dbeale@southamptoncounty.org)
Subject: Schedule for Drewryville Waterworks Improvements

Good morning, Joe. We've nailed down the schedule for the Drewryville Project:

February 14, 2016	Advertisement for Bids
March 3, 2016	Pre-Bid Meeting
March 16, 2016	Receive Bids
March 28, 2016	Award Contract
April 11, 2016	Notice to Proceed
October 8, 2016	Substantial Completion
November 7, 2016	Final Completion

Our public hearing for the financing is scheduled for February 22.

What do you think about a closing date?



COMMONWEALTH of VIRGINIA

Marissa J. Levine, MD, MPH, FAAFP
State Health Commissioner

DEPARTMENT OF HEALTH

OFFICE OF DRINKING WATER

John J. Aulbach II, PE
Director, Office of Drinking Water

Madison Building
109 Governor Street, 6th Floor
Richmond, VA 23219
Phone: 804-864-7500
Fax: 804-864-7521

Processing Office:

Southeast Virginia Field Office
830 Southampton Avenue, Room 2058
Norfolk, VA 23510
Phone: 757-683-2000

SUBJECT: SOUTHAMPTON COUNTY
WATERWORKS: Drewryville
PWSID: 3175300

WATERWORKS CONSTRUCTION PERMIT

Permit No.: 300116 Effective Date: January 22, 2016 Expiration Date: January 22, 2021

Issued to:

Mr. Michael Johnson, County Administrator
Southampton County
P.O. Box 400
Courtland, VA 23837

ATTN: Mr. Michael Johnson

Plans and specifications for the construction of additions to the Drewryville community waterworks located in Southampton County, prepared by WW Associates, Inc., have been reviewed by this Office. The plans titled "Drewryville Water System Improvements Southampton County, Virginia PWS ID. No. 3175300" are dated November 20, 2014 and include sheets one through five.

The specifications titled "Project Manual Drewryville Water System Improvements for Southampton County, Virginia" are dated November 20, 2014 with a revised date of June 2, 2015.

The project consists of the installation of a 40 gpm drilled well, a 20,000 gallon ground storage tank, booster pumps, approximately 55 feet of 2-inch piping, and site fencing for the Drewryville waterworks.

The plans and specifications are technically adequate and are approved by this Office, in accordance with 12VAC5-590 of the Commonwealth of Virginia Waterworks Regulations. A copy of these documents is on file in the Southeast Virginia Field Office.

This approval does not suspend, minimize, or otherwise alter the waterworks obligation to comply with federal, state, or local laws and regulations or permits.

Mr. Michael Johnson
Waterworks Construction Permit No. 300116
January 22, 2016
Page 2

This Waterworks Construction Permit is issued in accordance with Title 32.1 of the *Code of Virginia*, and 12VAC5-590 *et seq.* of the *Waterworks Regulations*. This is your authorization from the State Health Commissioner to construct modifications to the subject waterworks in accordance with the approved documents. Any deviations from the approved documents affecting capacity, hydraulic conditions, operating units, the functioning of the treatment processes, or the water quality delivered, must be approved by this Office before any such changes are made. Revised plans and specifications shall be submitted to Southeast Virginia Field Office in time to permit review and approval before construction.

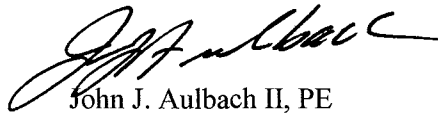
Upon completion of construction, the owner shall submit a statement signed by a professional engineer licensed in Virginia certifying that the work was completed in accordance with the approved documents.

Upon receipt of this statement, satisfactory results of bacteriological analysis and final inspection by an Office representative, the State Health Commissioner will amend your current waterworks operation permit in accordance with the *Regulations*.

The Department of Environmental Quality has issued a Groundwater Withdrawal Permit for this groundwater source.

If we can be of additional assistance, please contact Renee S. Hall, District Engineer in our Southeast Virginia Field Office at ext 113.

Sincerely,



John J. Aulbach II, PE
Director, Office of Drinking Water

RSH/JJA/shb

pc: Mr. Julien Johnson, Director, Southampton County Utilities
Mr. John Jenkins, Building Official, Southampton County
Ms. Nancy Welch, MD, Acting Director, Southampton County Health Department
Mr. Jason Clark, PE, WW Associates, Inc.
ODW - Southeast Virginia Field Office
ODW - Central Office

DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA

PWS ID. No. 3175300

GENERAL NOTES

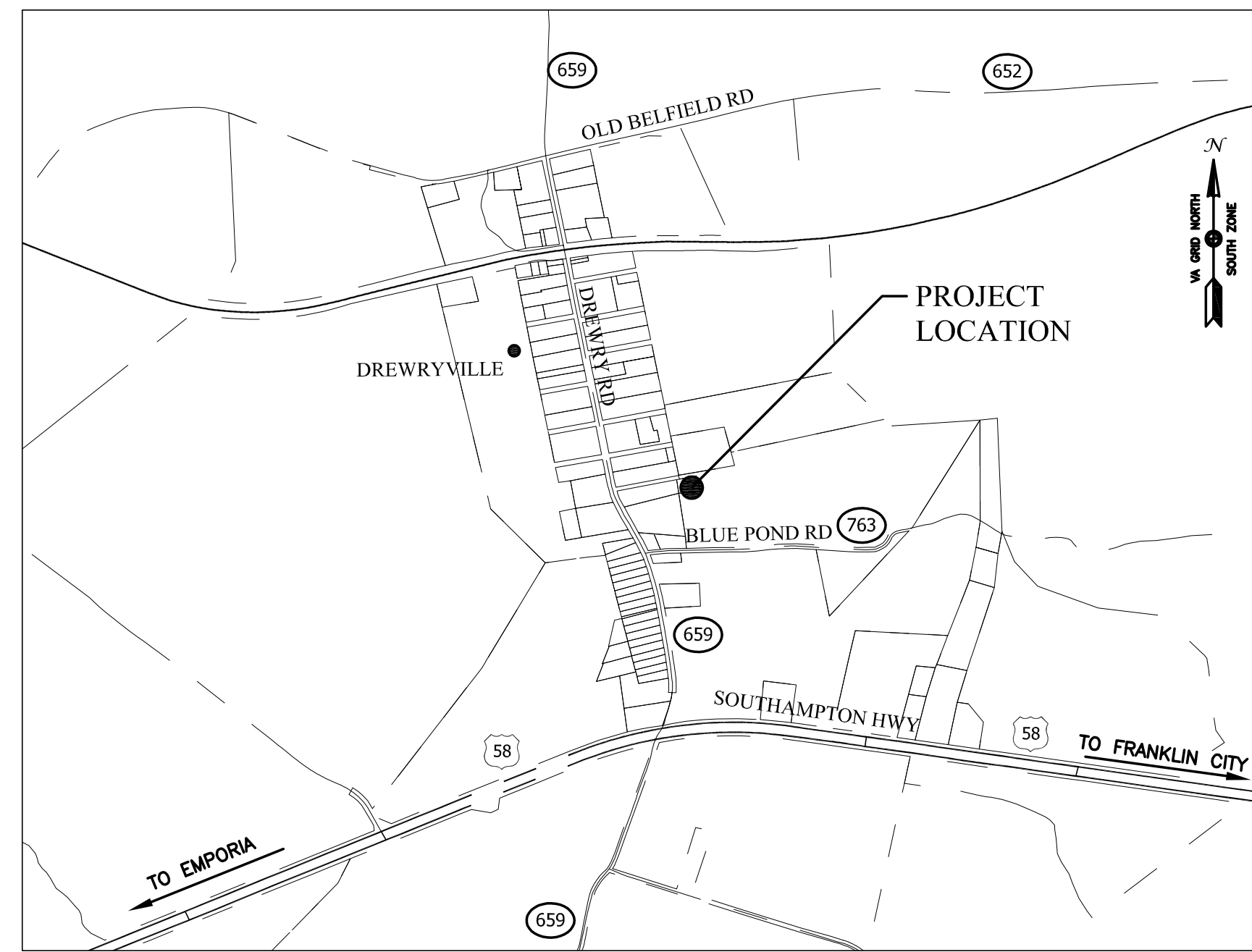
- SURVEY CONTROL, PHYSICAL FEATURES, AND UNDERGROUND UTILITY LOCATIONS ARE BASED ON FIELD SURVEY PERFORMED BY WW ASSOCIATES, INC. IN APRIL 2014. BENCHMARK AND CONTROL POINT LOCATIONS ARE SHOWN ON THE DRAWINGS. HORIZONTAL POSITION AND VERTICAL ELEVATIONS ARE ASSUMED.
- ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THESE DRAWINGS AND THE LATEST EDITION OF THE VIRGINIA DEPARTMENT OF HEALTH (VDH) WATERWORKS REGULATIONS. THE CONTRACTOR SHALL MAINTAIN A COPY OF THE CONTRACT DRAWINGS AND PROJECT MANUAL AT THE PROJECT SITE AT ALL TIMES DURING CONSTRUCTION.
- THE LOCATION, DIMENSIONS, AND ELEVATION OF EXISTING STRUCTURES, PIPING, AND UTILITIES SHOWN ARE BASED ON THE BEST AVAILABLE DATA AND ARE APPROXIMATE. THE CONTRACTOR SHALL VERIFY ALL DATA IN THE FIELD PRIOR TO CONSTRUCTION TO HIS OWN SATISFACTION. THE DIAMETERS OF EXISTING PIPING ARE APPROXIMATE AND SHALL BE VERIFIED PRIOR TO PERFORMING FINAL CONNECTIONS. CONTACT MISS UTILITY (TELEPHONE No. (811)) 48 HOURS PRIOR TO PERFORMING ANY EXCAVATION TO HAVE UNDERGROUND UTILITIES MARKED. THE CONTRACTOR SHALL PERFORM ANY TEST PIT WORK OR PROVIDE LOCATION SERVICES AS REQUIRED TO AVOID CONFLICTS WITH EXISTING UTILITIES.
- THE FLOOD INSURANCE RATE INDEX MAP FOR SOUTHAMPTON COUNTY, VIRGINIA (COMMUNITY PANEL No. 51175C0250C), DATED SEPTEMBER 29, 2002, INDICATES THE PROJECT SITE IS LOCATED IN ZONE X, AREAS DETERMINED TO BE OUTSIDE THE 0.2% CHANCE FLOOD.
- CHANGES IN NEW PIPING FROM THAT SHOWN ON THE DRAWINGS, IN ORDER TO AVOID CONFLICTS WITH EXISTING ELECTRICAL SYSTEMS, MECHANICAL SYSTEMS, EQUIPMENT, STRUCTURES, OR EXISTING PIPING, SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR, WHETHER THE CONFLICTS ARE SHOWN OR ARE DISCOVERED IN THE FIELD. LIKEWISE, ALTERATIONS TO EXISTING ELECTRICAL SYSTEMS, MECHANICAL SYSTEMS, EQUIPMENT, OR EXISTING PIPING IN ORDER TO ACCOMMODATE NEW PIPING AND EQUIPMENT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR AT NO ADDITIONAL COST TO THE OWNER. THE OWNER AND THE ENGINEER MUST APPROVE ALL SUCH CHANGES.
- MAINTAIN AND PROTECT ALL OVERHEAD AND UNDERGROUND ELECTRICAL, TELEPHONE, CABLE TV, WATER, GAS, AND PRIVATE WATER LINE SERVICES, AND ALL OTHER UTILITIES DURING ENTIRE CONSTRUCTION PERIOD. SEPTIC SYSTEM AND WATER SERVICE INTERRUPTIONS AND OTHER UTILITY OUTAGES WILL NOT BE ALLOWED.
- ALL WATER MAIN PIPING SHALL MAINTAIN A MINIMUM COVER OF 36 INCHES UNLESS OTHERWISE INDICATED. WATER MAIN SHALL BE INSTALLED AS REQUIRED TO ALLOW FOR MINIMUM 18" VERTICAL SEPARATION BETWEEN NEW WATER MAIN PIPING AND EXISTING UTILITIES. A POSITIVE GRADE SHALL BE MAINTAINED FOR THE VERTICAL ALIGNMENT OF ALL WATER MAIN PIPING TO ELIMINATE THE FORMATION OF AIR POCKETS.
- GATE VALVES AND VALVE BOXES: PROVIDE AN EXTENDED VALVE STEM WHERE DEPTH TO TOP OF VALVE EXCEEDS 5 FEET.
- HORIZONTAL DISTANCE IS INDICATED FOR ALL NEW PIPE LENGTHS SHOWN ON THE DRAWINGS. VERTICAL PIPE FITTINGS ARE NOT SHOWN ON THE DRAWINGS FOR CLARITY. THE CONTRACTOR SHALL PROVIDE VERTICAL PIPE FITTINGS AS REQUIRED FOR COMPLETE AND OPERABLE PIPE INSTALLATIONS.
- PROVIDE ALL CONNECTING PIECES AND TRANSITION PIECES REQUIRED TO MAKE FINAL PIPING CONNECTIONS.
- PROVIDE A MINIMUM OF 18 INCHES CLEARANCE BETWEEN PIPING AND FOOTINGS, STRUCTURES, AND OTHER PIPING UNLESS OTHERWISE INDICATED.
- VEGETATIVE AND STRUCTURAL EROSION AND SEDIMENT CONTROL DEVICES SHALL BE CONSTRUCTED AND MAINTAINED FOR ALL DISTURBED AREAS IN ACCORDANCE WITH ALL LOCAL REQUIREMENTS AND THE LATEST EDITION OF THE VIRGINIA EROSION AND SEDIMENT CONTROL HANDBOOK. ALL EROSION AND SEDIMENTATION CONTROL DEVICES SHALL BE INSTALLED AS A FIRST STEP IN CONSTRUCTION AND BEFORE EXCAVATION BEGINS.
- CONSTRUCTION LIMITS SHALL INCLUDE ALL DISTURBED AREAS. ALL DISTURBED AREAS SHALL BE SEEDED AND PROVIDED WITH EROSION CONTROL DURING AND AT THE END OF CONSTRUCTION.
- TREES AND SHRUBS TO BE REMOVED ARE INDICATED ON THE DRAWINGS. TREES TO REMAIN IN PLACE SHALL BE ROPED OFF DURING GRADING OPERATIONS TO KEEP EQUIPMENT AWAY FROM ROOT SYSTEMS. THE CONTRACTOR SHALL MAKE SELECT CUTTING OF TREES, TAKING THE SMALLEST TREES FIRST, THAT ARE MANDATORY FOR CONSTRUCTION. OWNER'S DECISION SHALL BE FINAL ON DETERMINATION OF WHICH TREES SHALL BE CUT.
- UNLESS OTHERWISE NOTED, REMOVE AND DISPOSE OF ALL STRUCTURES AND OTHER ITEMS INDICATED TO BE DEMOLISHED OFF THE OWNER'S PROPERTY IN ACCORDANCE WITH ALL FEDERAL, STATE, AND LOCAL REGULATIONS.
- THE CONTRACTOR SHALL COMPLY WITH ALL FEDERAL, STATE, AND LOCAL CONFINED SPACE ENTRY REGULATIONS.
- CONSTRUCT EXCAVATION SUPPORT SYSTEMS AS REQUIRED BY OSHA AND U.S. ARMY CORPS OF ENGINEERS SAFETY & HEALTH REQUIREMENTS MANUAL EM 385-1-1, SECTIONS 25 A THROUGH E, AND WHERE INDICATED ON THE DRAWINGS TO ADEQUATELY SUPPORT EXISTING SOIL AND ADJACENT STRUCTURES DURING EXCAVATION ACTIVITIES.
- THE CONTRACTOR SHALL BE FULLY LIABLE FOR REPAIR OF ANY DAMAGES ON PUBLIC OR PRIVATE PROPERTY CAUSED BY HIS CONSTRUCTION ACTIVITIES. THE CONTRACTOR SHALL REPLACE ALL DISTURBED SURFACES IN KIND, INCLUDING PAVEMENT, STONE, DITCHES, MAILBOXES, STORM CULVERTS, ETC.
- ANY FENCING DISTURBED BY CONSTRUCTION SHALL BE IMMEDIATELY REPLACED OR SUPPLEMENTED BY TEMPORARY FENCING SUITABLE FOR INTENDED PURPOSE OF EXISTING FENCING. THE CONTRACTOR SHALL REPAIR AND/OR REPLACE DISTURBED FENCING TO ORIGINAL CONDITION.
- ALL DRIVEWAYS, PARKING LOTS, AND ROADS DISTURBED BY CONSTRUCTION ACTIVITIES SHALL BE SAW CUT AND REPLACED TO ORIGINAL CONDITION. ALL ASPHALT AND GRAVEL DRIVEWAYS DISTURBED BY CONSTRUCTION ACTIVITIES SHALL BE REPLACED TO ORIGINAL CONDITION.
- ALL EXISTING SIGNS, CURBS, STONE, STRUCTURES, LANDSCAPING, PLANTERS, SHRUBS, AND OTHER PHYSICAL IMPROVEMENTS TEMPORARILY REMOVED BY THE CONTRACTOR SHALL BE REPLACED TO ORIGINAL CONDITION.
- THE CONTRACTOR SHALL PROTECT EXISTING PAVED SURFACES. ANY DAMAGED PAVEMENT SHALL BE REPAIRED TO MATCH EXISTING. TRACKED EQUIPMENT WILL NOT BE ALLOWED ON PAVED SURFACES. ANY PAVEMENT MARKINGS DAMAGED BY CONSTRUCTION SHALL BE REPLACED IN KIND.
- ALL PROPERTY PINS DISTURBED DURING CONSTRUCTION SHALL BE REPLACED BY A LAND SURVEYOR LICENSED BY THE COMMONWEALTH OF VIRGINIA.
- ALL VALVE AND METER BOXES SHALL BE SET TO FINISHED GRADE.
- ALL WATER SERVICE SHUTDOWNS SHALL BE APPROVED BY AND COORDINATED WITH THE OWNER.
- SURFACE DRAINAGE: COMPLETELY DRAIN CONSTRUCTION SITE DURING PERIODS OF CONSTRUCTION TO KEEP SOIL MATERIALS SUFFICIENTLY DRY. PROVIDE TEMPORARY DITCHES, SWALES, AND OTHER DRAINAGE FEATURES AND EQUIPMENT AS REQUIRED TO MAINTAIN DRY SOILS. WHEN UNSUITABLE WORKING PLATFORMS FOR EQUIPMENT OPERATION AND UNSUITABLE SOIL SUPPORT FOR SUBSEQUENT CONSTRUCTION FEATURES DEVELOP, REMOVE UNSUITABLE MATERIAL AND PROVIDE NEW SOIL MATERIAL AS SPECIFIED IN SPEC. SECTION 02200 AT NO ADDITIONAL COST TO THE OWNER.
- SUBSURFACE DRAINAGE: CONSIDER SITE SURFACE AND SUBSURFACE CONDITIONS, AVAILABLE SOIL, AND HYDROLOGICAL DATA. REMOVE WATER BY BENCHING, SUMP PUMPING, DEEP WELL PUMPING, OR OTHER METHODS TO PREVENT SOFTENING OF SURFACES EXPOSED BY EXCAVATION. USE FILTERS ON DEWATERING DEVICES TO PREVENT REMOVAL OF FINES FROM SOIL. PROVIDE EROSION CONTROL AT OUTLET OR PIPING TO PREVENT EROSION. OPERATE DEWATERING SYSTEM CONTINUOUSLY UNTIL CONSTRUCTION WORK BELOW EXISTING WATER LEVELS IS COMPLETE.

OWNER: SOUTHAMPTON COUNTY
C/O JULIEN W. JOHNSON, JR.
DIRECTOR OF PUBLIC UTILITIES
24283 OLD BRIDGE ROAD
COURTLAND, VA 23837

ABBREVIATIONS

AFF	ABOVE FINISHED FLOOR	FM	FORCEMAIN	RCP	REINFORCED CONCRETE PIPE
AHD	AHEAD	FC	FACE OF CURB	REQ'D	REQUIRED
ARV	AIR RELEASE VALVE	GALV	GALVANIZED	RT	RIGHT
BC	BACK OF CURB	GE	GROUND ELEVATION	R/W	RIGHT OF WAY
BF	BLIND FLANGE	GV	GATE VALVE	SAN	SANITARY SEWER
BFF	BASEMENT FINISHED FLOOR	HB	HORIZONTAL BEND	SBL	SOUTH BOUND LANE
BM	BENCH MARK	HC	HANDICAP	SD	STORM DRAIN
BK	BACK	HDPE	HIGH DENSITY POLYETHYLENE	SQ	SQUARE
C/C	CENTER TO CENTER	HK	HOOK	S.S.	STAINLESS STEEL
CG	CURB & GUTTER	HP	HIGH PRESSURE	SSMH	SANITARY SEWER MANHOLE
CIP	CAST IRON PIPE	ID	INNER DIAMETER	STA	STATION
CJ	CONSTRUCTION JOINT	INV	INVERT	STD	STANDARD
CL	CENTER LINE	IPS	IRON PIN SET	STL	STEEL
C.L.	CHAIN LINK	IPF	IRON PIN FOUND	SW	SIDEWALK
CMP	CORRUGATED METAL PIPE	JB	JUNCTION BOX	TBA	TO BE ABANDONED
CO	CLEAN OUT	LAT	LATERAL	TBR	TO BE REMOVED
CONC	CONCRETE	LF	LINEAR FEET	TC	TOP OF CURB
CP	CONTROL POINT	LP	LOW PRESSURE	TYP	TYPICAL
CY	CUBIC YARDS	LT	LEFT	UG	UNDERGROUND
D.I.	DUCTILE IRON	MH	MANHOLE	UON	UNLESS OTHERWISE NOTED
DIA	DIAMETER	NBL	NORTH BOUND LANE	VB	VERTICAL BEND
DIP	DUCTILE IRON PIPE	NIC	NOT IN CONTRACT	VPD	VEHICLES PER DAY
EL	ELEVATION	NTS	NOT TO SCALE	W	WATER LINE
ELEC	ELECTRIC	O.C.	ON CENTER	WL	WATER LINE
EOP	EDGE OF PAVEMENT	PE	POLYETHYLENE	WM	WATER METER
EOTL	EDGE OF TRAVEL LANE	PED	PEDESTRIAN	WT	WATERTIGHT
EQPT	EQUIPMENT	PGL	PROFILE GRADE LINE	WWF	WOVEN WIRE FABRIC
EX OR EXIST	EXISTING	PROP	PROPOSED	YD	YARD DRAIN
FD	FLOOR DRAIN	PS	PLANTED STONE FOUND	YDS	YARDS
FF	FINISHED FLOOR	PVC	POLYVINYL CHLORIDE		
FH	FIRE HYDRANT	PVMT	PAVEMENT		

- NOTES:
1. THE SIZE OF THE SYMBOLS MAY VARY FROM THOSE SHOWN.
2. ALL SYMBOLS AND ABBREVIATIONS SHOWN MAY NOT BE USED.



VICINITY MAP
SCALE: 1" = 3000'

SHEET NO.	DRAWING NO.	TITLE
1 OF 5	C-1	COVER SHEET
2 OF 5	C-2	SITE PLAN
3 OF 5	C-3	EXISTING BUILDING - DEMOLITION PLAN AND SECTIONS
4 OF 5	C-4	BUILDING IMPROVEMENTS - PLAN AND SECTIONS
5 OF 5	C-5	PROJECT DETAILS, ELECTRICAL DIAGRAM, AND PANEL SCHEDULE

EX.	SYMBOL LEGEND	NEW
	AIR RELEASE VALVE ASSEMBLY	
	BENCHMARK/FFE	
	BLOW OFF ASSEMBLY	
	BOLLARD	
	BUSH	
	CONFEROUS TREE	
	CONNECTION POINT	
	DECIDUOUS TREE	
	DRAINAGE INLET GRATE	
	FIRE HYDRANT	
	GAS METER	

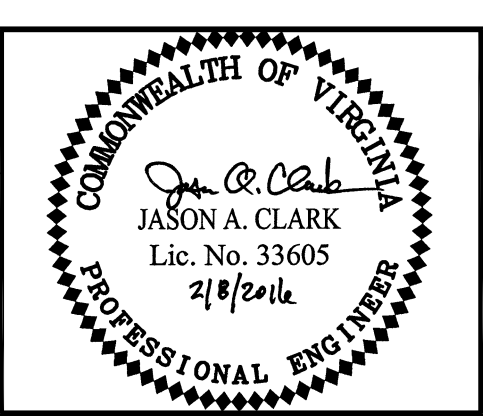
EX.	SYMBOL LEGEND	NEW
	GAS VALVE	
	GROUND LIGHT	
	IRON PIN	
	LIGHT POLE	
	MAILBOX	
	MONUMENT FOUND	
	POWER POLE	
	ROAD SIGN	
	SANITARY CLEAN OUT	
	SANITARY SEWER MANHOLE	
	SIGN	

EX.	SYMBOL LEGEND	NEW
	STORM DRAIN MANHOLE	
	TELEPHONE PEDESTAL	
	TELEPHONE POLE	
	TELEPHONE JUNCTION BOX	
	TRAVERSE	
	UTILITY MARKER POST	
	WATER MANHOLE	
	WATER METER	
	WATER VALVE	
	YARD GRATE	
	YARD INLET	

EXISTING	LINETYPE LEGEND	NEW
---	PROPERTY LINE	---
---	RIGHT-OF-WAY	---
---	COMMUNICATIONS UNDER GROUND	---
---	TELEPHONE OVERHEAD	---
---	DITCH CENTER LINE	---
---	EASEMENT STORM	---
---	FENCE BARBED WIRE	---
---	FENCE CHAIN LINK	---
---	FENCE WOOD	---
---	FENCE WOVEN WIRE	---
---	GAS UNDER GROUND	---
---	ELECTRIC OVERHEAD	---
---	ELECTRIC UNDER GROUND	---
---	PAVEMENT ASPHALT	---
---	SANITARY SEWER	---
---	STORM SEWER	---
---	TOPO MAJOR CONTOUR	---
---	TOPO MINOR CONTOUR	---
---	TREELINE	---
---	UTILITY OVERHEAD	---
---	UTILITY UNDER GROUND	---
---	WATER LINE	---

M:\214024.00 Drewryville\Final (2014)\214024.03L_CS.dwg

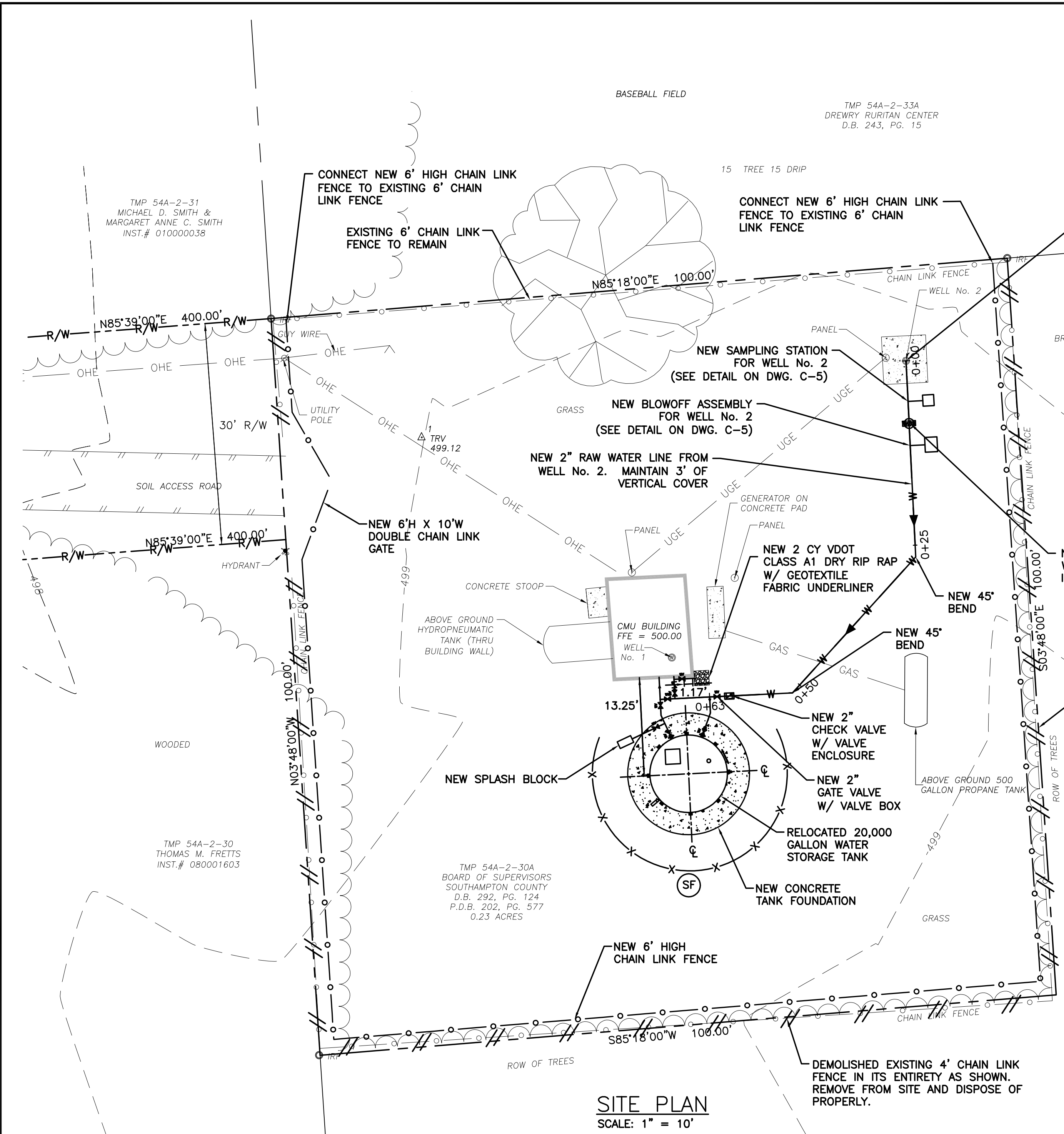
NO.	SHEET REVISION	BY	DATE	NO.	SHEET REVISION	BY	DATE
1.	REVISED PER VDH COMMENTS	JMF	2-4-15				
2.	REVISED PER VDH COMMENTS	JMF	6-2-15				
3.	REVISED PER COUNTY COMMENTS	WSW	9-18-15				
4.	REVISED ELEVATIONS ON WELL DETAIL	WSW	11-18-15				
5.	REVISED FOR BID SET	WSW	2-8-16				



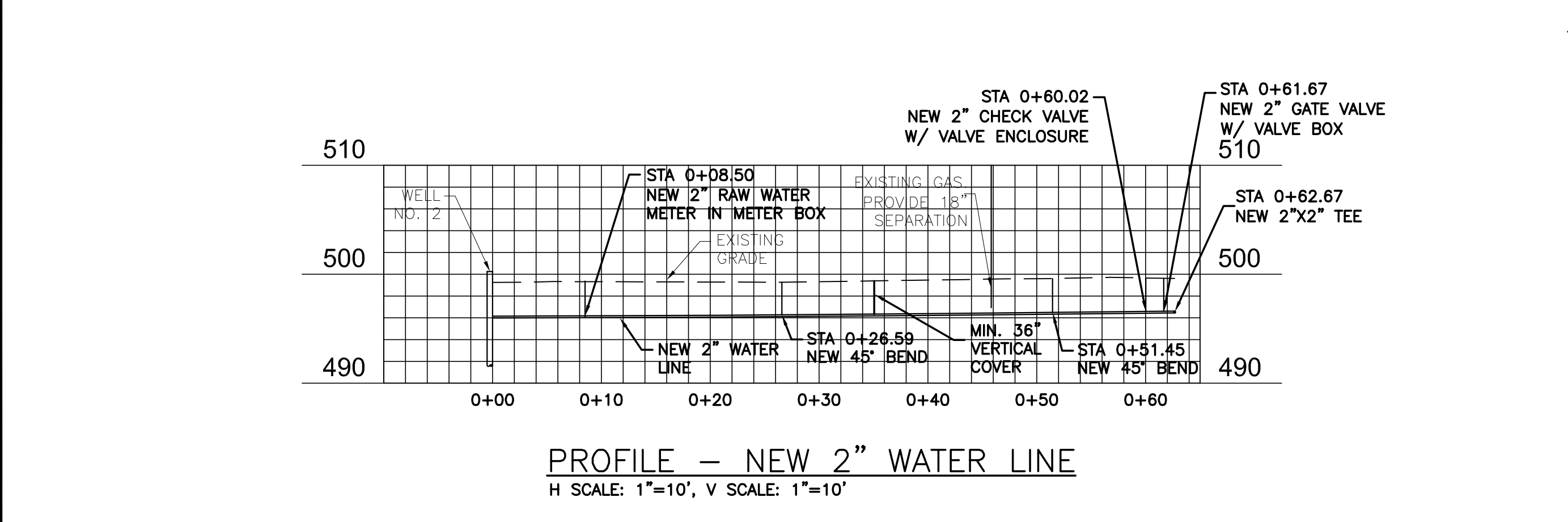
BID SET
FEBRUARY 8, 2016



DESIGNED BY: JMF	PROJECT: DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA	SET REV. NO. 5
DRAWN BY: WSW	TITLE: COVER SHEET	DRAWING NUMBER: C-1
DIHR BY: JAC	WVA NUMBER: 214024.03	SHEET NUMBER: 1 of 5
FILE NAME: 214024.03L_CS.dwg	DISCIPLINE: GENERAL	SCALE: H: AS SHOWN V: N/A
DATE: 11-20-14		



- NOTES:
- ONCE SITE IS GRADED CONTRACTOR SHALL CONFIRM TANK FOUNDATION IS ACCEPTABLE BASED ON SITE SUBSURFACE CONDITIONS WITH A PROFESSIONAL GEOTECHNICAL ENGINEER. MINIMUM SOIL BEARING CAPACITY IS 1,000 PSI.
 - PIPING ARRANGEMENTS DO NOT INDICATE ALL PIPE AND FITTINGS REQUIRED. THE CONTRACTOR SHALL PROVIDE ALL PIPE, FITTINGS, VALVES, AND APPURTENANCES REQUIRED TO ENSURE ADEQUATE CLEARANCES FOR COMPLETE AND USEABLE SYSTEMS.
 - CORE DRILL HOLES IN CMU BUILDING AS REQUIRED FOR PIPING PENETRATIONS. PROVIDE WALL SLEEVES WITH MECHANICAL LINK-SEALS FOR ALL PIPING PENETRATIONS IN BUILDING TO ENSURE WATERTIGHT CONNECTIONS.
 - PROVIDE PIPE SUPPORTS AS REQUIRED FOR ALL PIPING.
 - PROVIDE POSITIVE DRAINAGE AWAY FROM EXISTING BUILDING AND NEW TANK FOUNDATION.
 - HEAT TRACE, INSULATE, AND PROVIDE ALUMINUM JACKET FOR ALL ABOVE GRADE WATER PIPE TO 36-INCHES BELOW FINISHED GRADE. SEE SPEC. SECTION 02660 FOR ADDITIONAL INFORMATION.
 - THE EXISTING 20,000 GALLON WATER STORAGE TANK IS CURRENTLY LOCATED AT THE SITE LAYING ON THE GROUND ON ITS SIDE. SURFACE PREPARE AND PAINT EXTERIOR TANK BASE AND ATTACHMENTS. ONCE THE TANK IS SET ON THE NEW FOUNDATION, SURFACE PREPARE, PAINT, AND DISINFECT THE TANK AND APPURTENANCES. SEE SPEC. SECTION 09900.
 - THE MANWAY FOR THE STORAGE TANK SHALL BE WATERTIGHT. THE MANWAY COVER SHALL BE SHOE BOX TYPE WITH 2 INCHES OF OVERLAP, HINGED ON ONE SIDE, AND EQUIPPED WITH A LOCKING DEVICE.



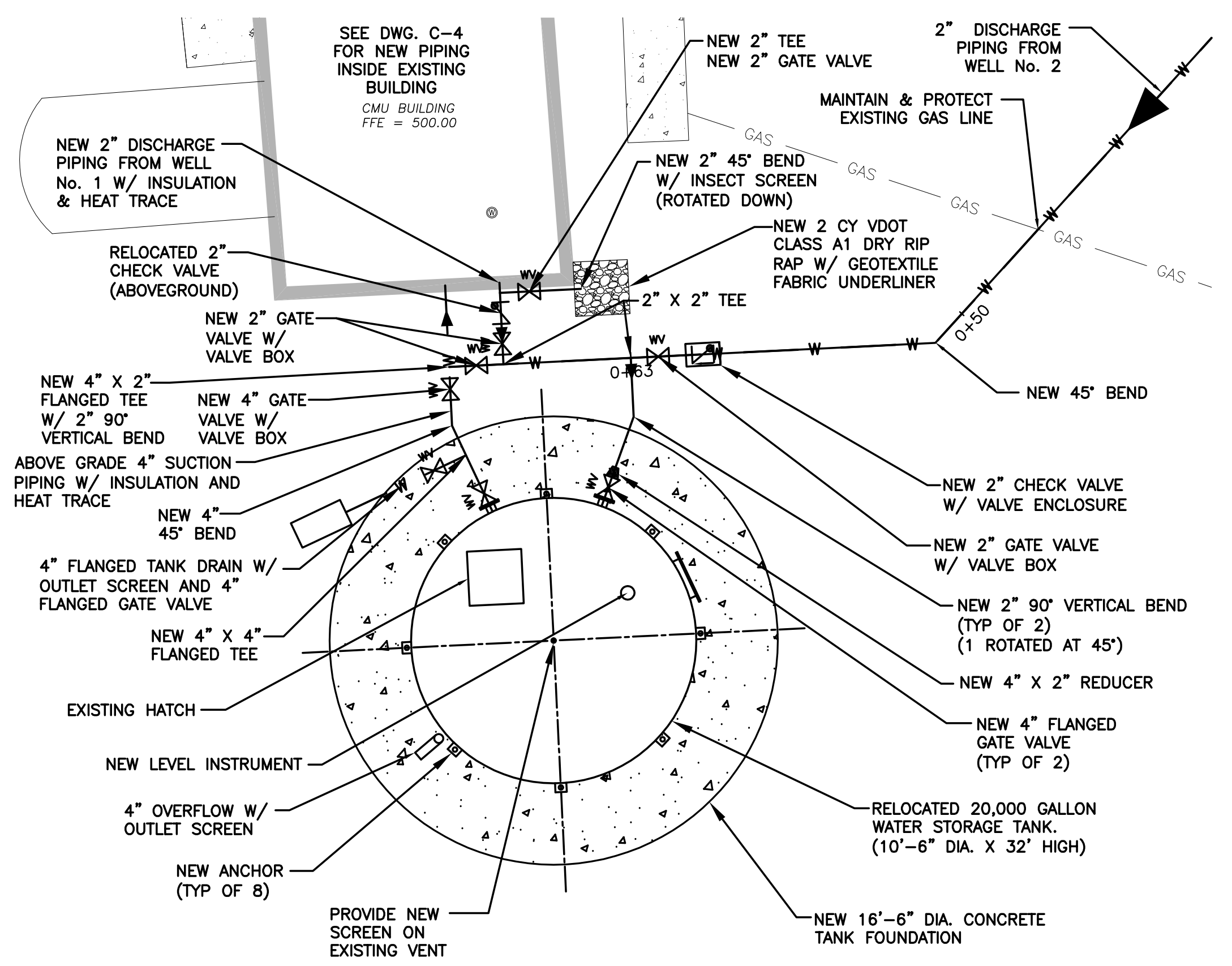
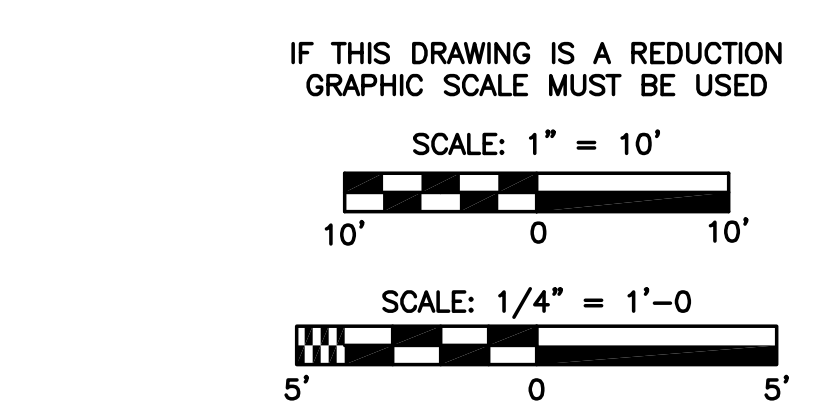
WATER STORAGE TANK OPERATING LEVELS:

531.50 = EMERGENCY HIGH WATER LEVEL - WELL PUMP OFF/ALARM

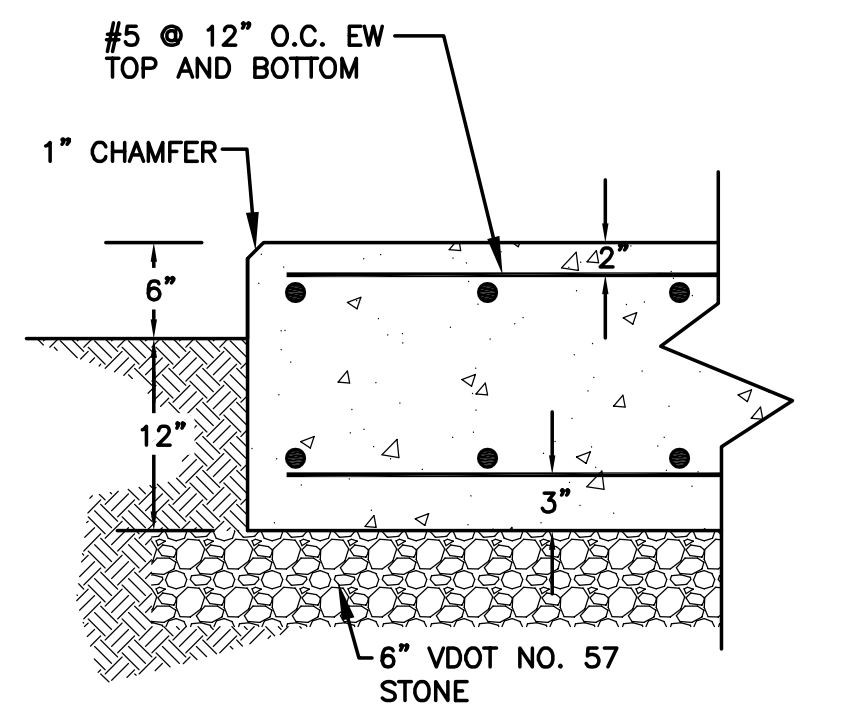
531.00 = HIGH WATER LEVEL - WELL PUMP OFF

526.00 = WELL PUMP ON

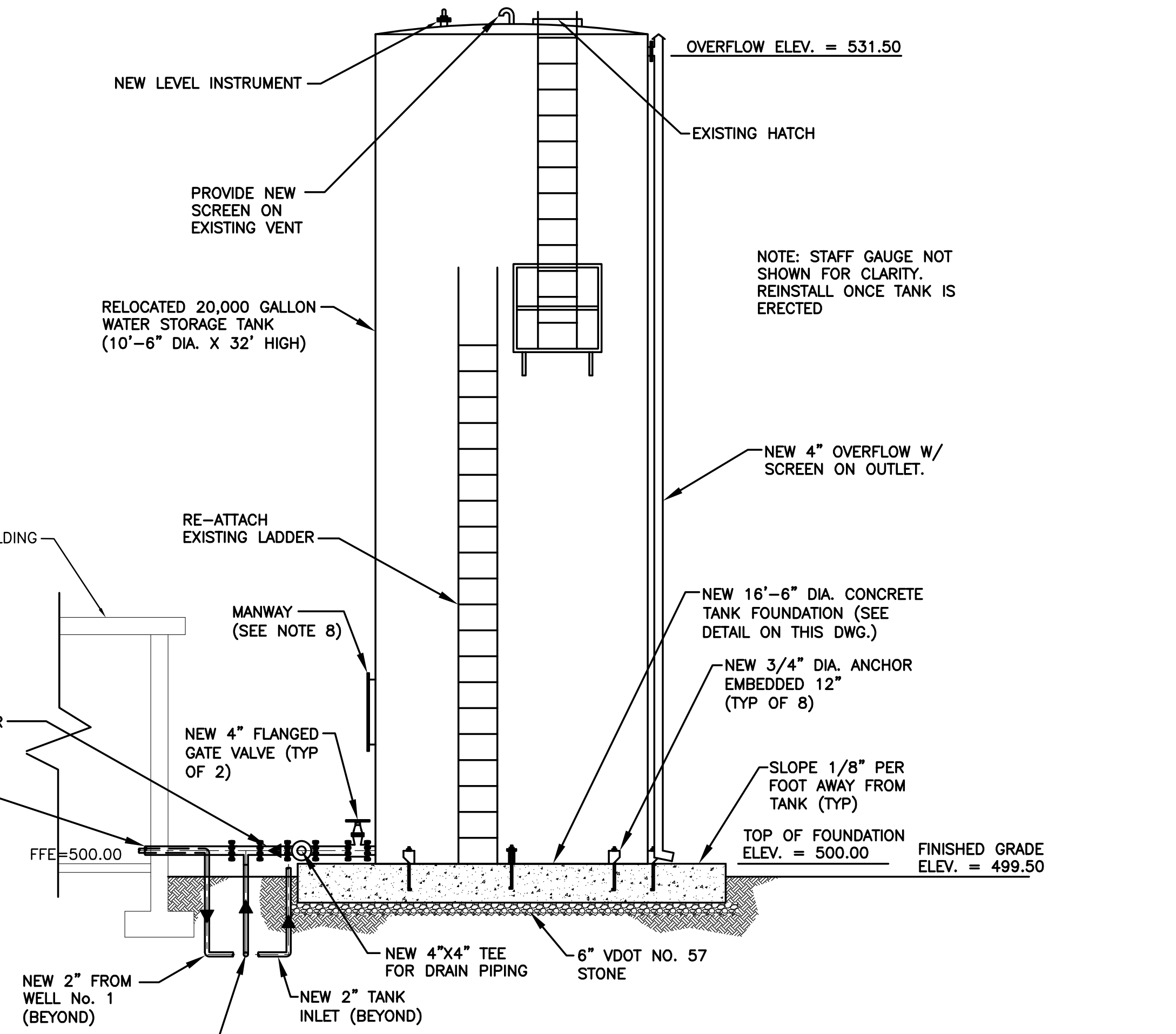
505.00 = LOW WATER LEVEL - BOOSTER PUMPS OFF/ALARM



STORAGE TANK - PLAN VIEW
SCALE: 1/4" = 1'-0"



TANK FOUNDATION DETAIL
NOT TO SCALE



STORAGE TANK - ELEVATION VIEW
SCALE: 1/4" = 1'-0"

1.	ADDED WATER LINE PROFILE	JMF	2-4-15				
2.	REVISED PER VDH COMMENTS	JMF	6-2-15				
3.	REVISED PER COUNTY COMMENTS	WSW	9-18-15				
NO.	SHEET REVISION	BY	DATE	NO.	SHEET REVISION	BY	DATE

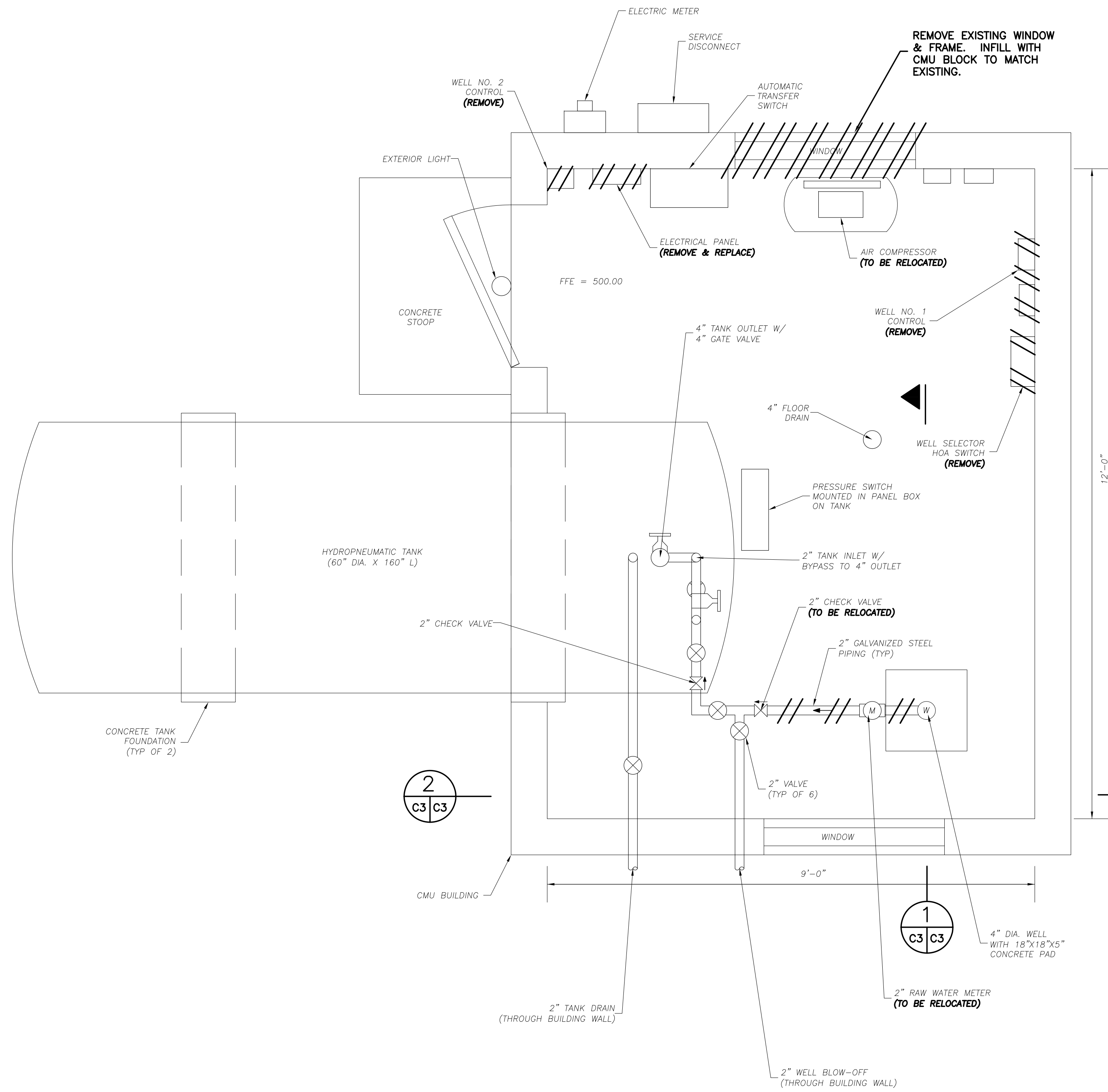


ASSOCIATES
ENGINEERS SURVEYORS PLANNERS
214024.03
214024.03L_SP1.dwg

DESIGNED BY: JMF	PROJECT: DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA	SET REV. NO. 5
DRAWN BY: WSW	TITLE: SITE PLAN	DRAWING NUMBER: C-2
DIHR BY: JAC	FILE NAME: 214024.03L_SP1.dwg	SHEET NUMBER: 2 of 5
WVA NUMBER: 214024.03	DISCIPLINE: CIVIL	SCALE: H: AS SHOWN V: N/A
	DATE: 11-20-14	

M:\214024.00 Drewryville\Final (2014)\214024.03L_SP1.dwg

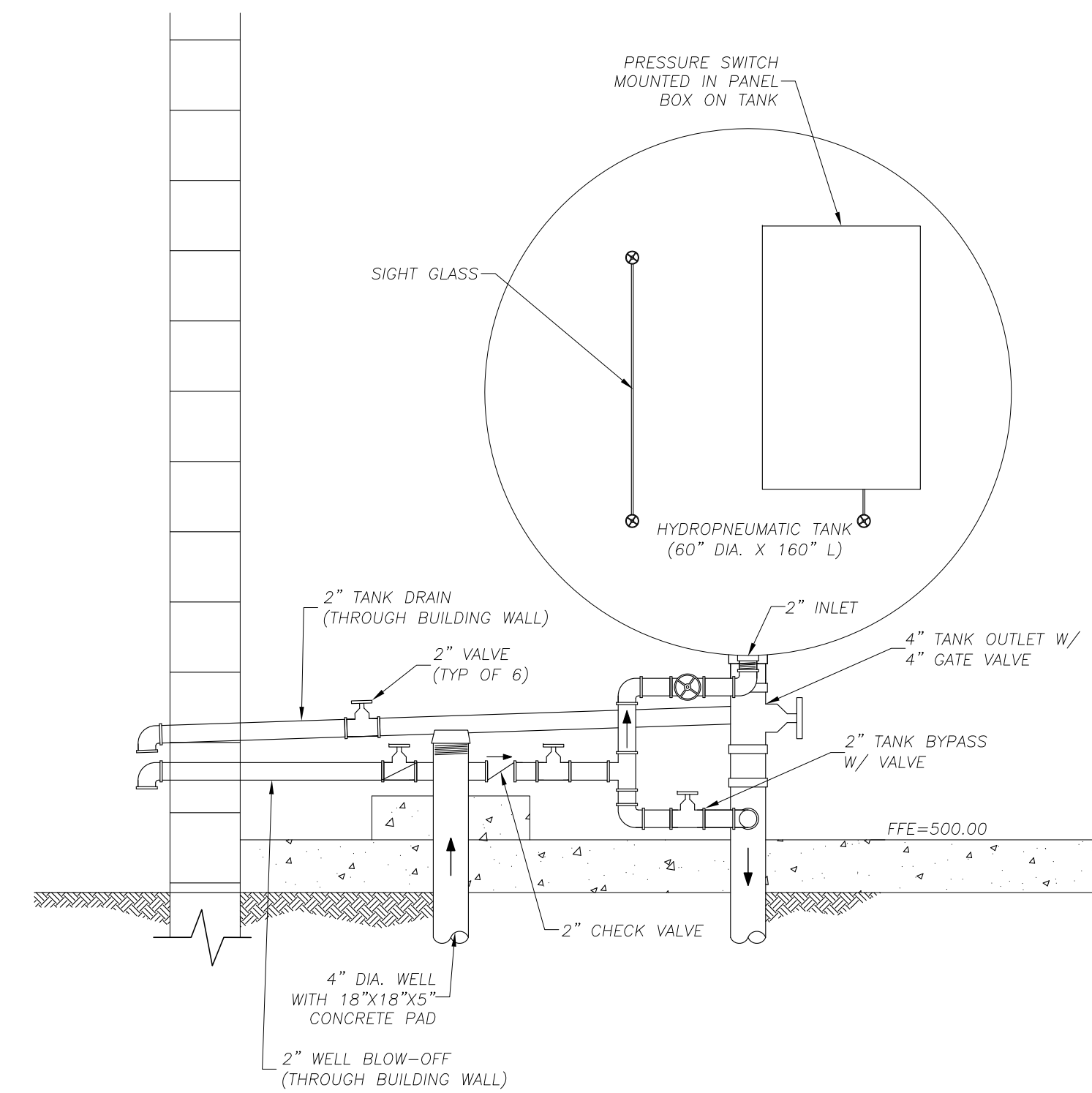
M:\214024.00 Drewryville\Final (2014)\214024.03L_BLD.dwg



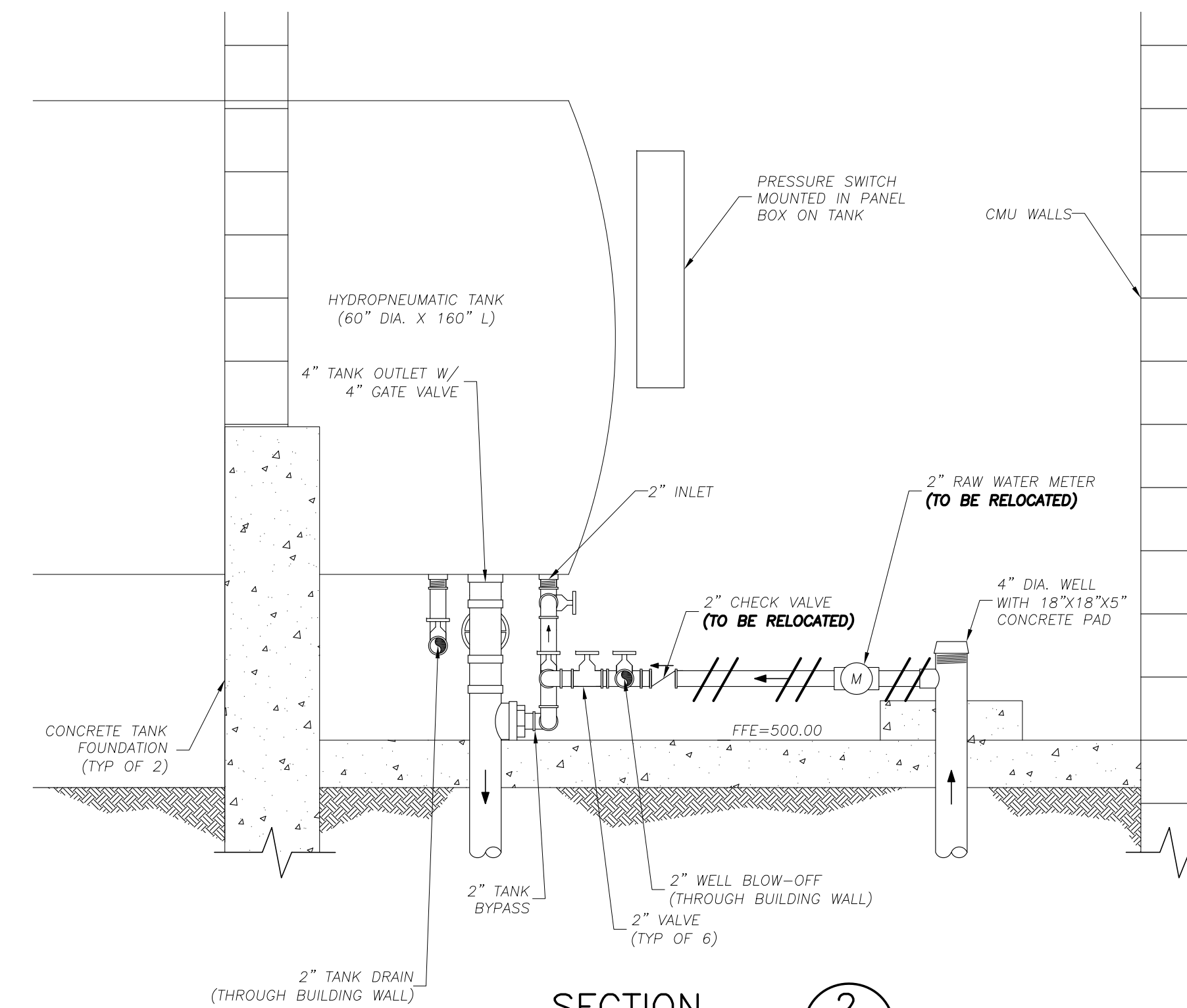
2
C3 C3

1
C3 C3

LEGEND
// // - TO BE DEMOLISHED

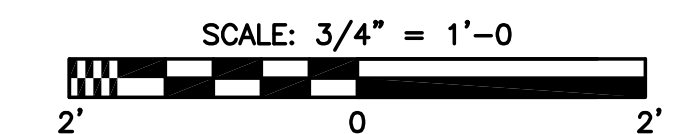


1
C3 C3

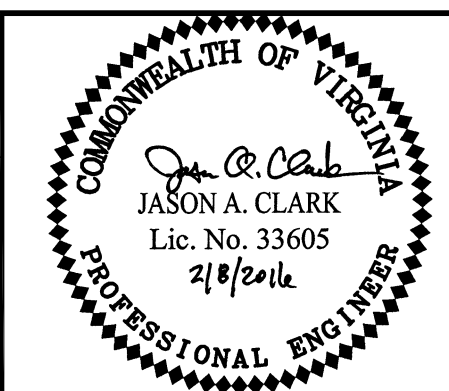


2
C3 C3

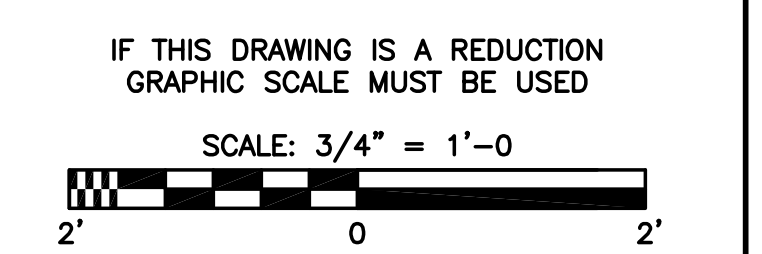
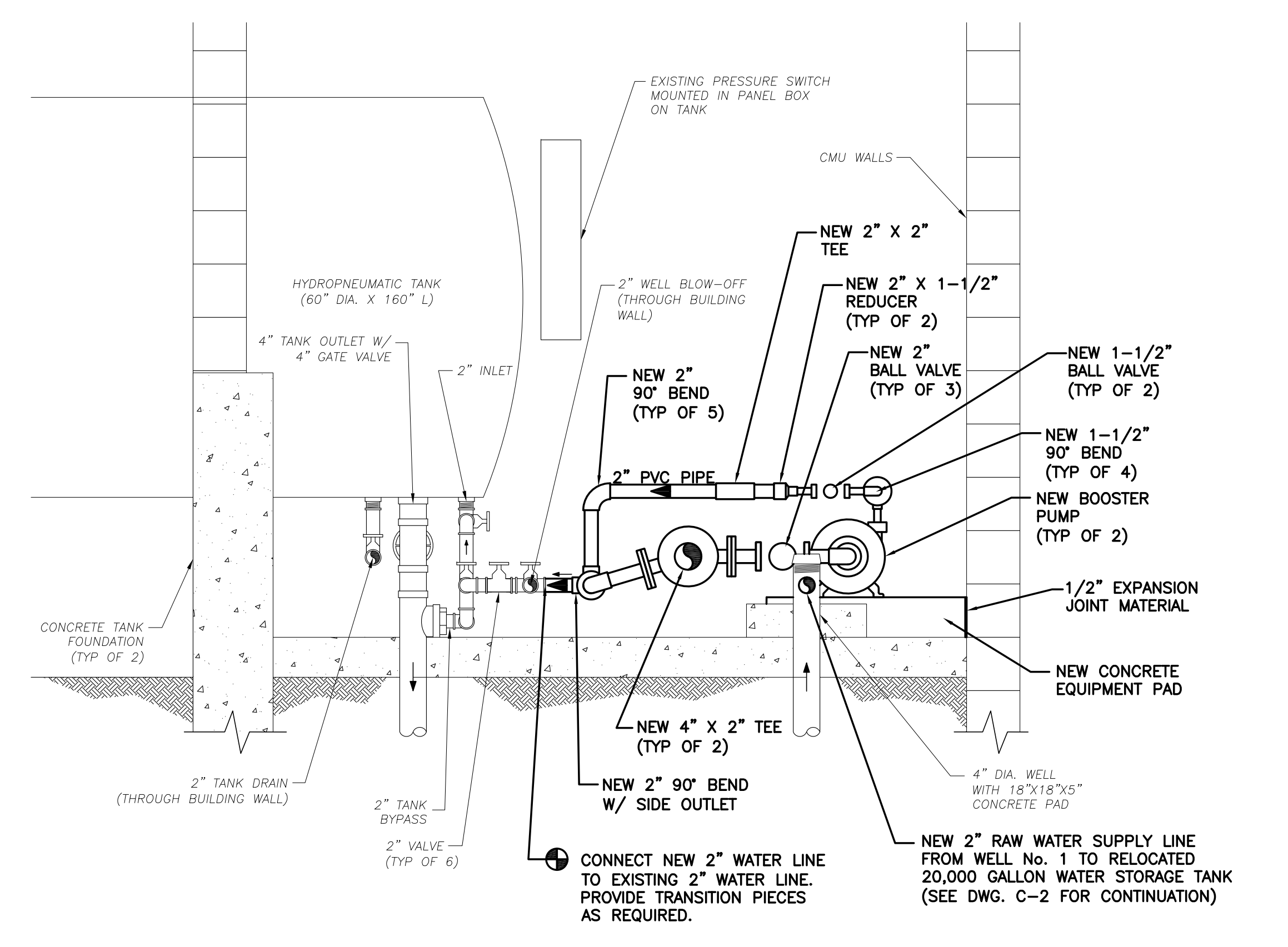
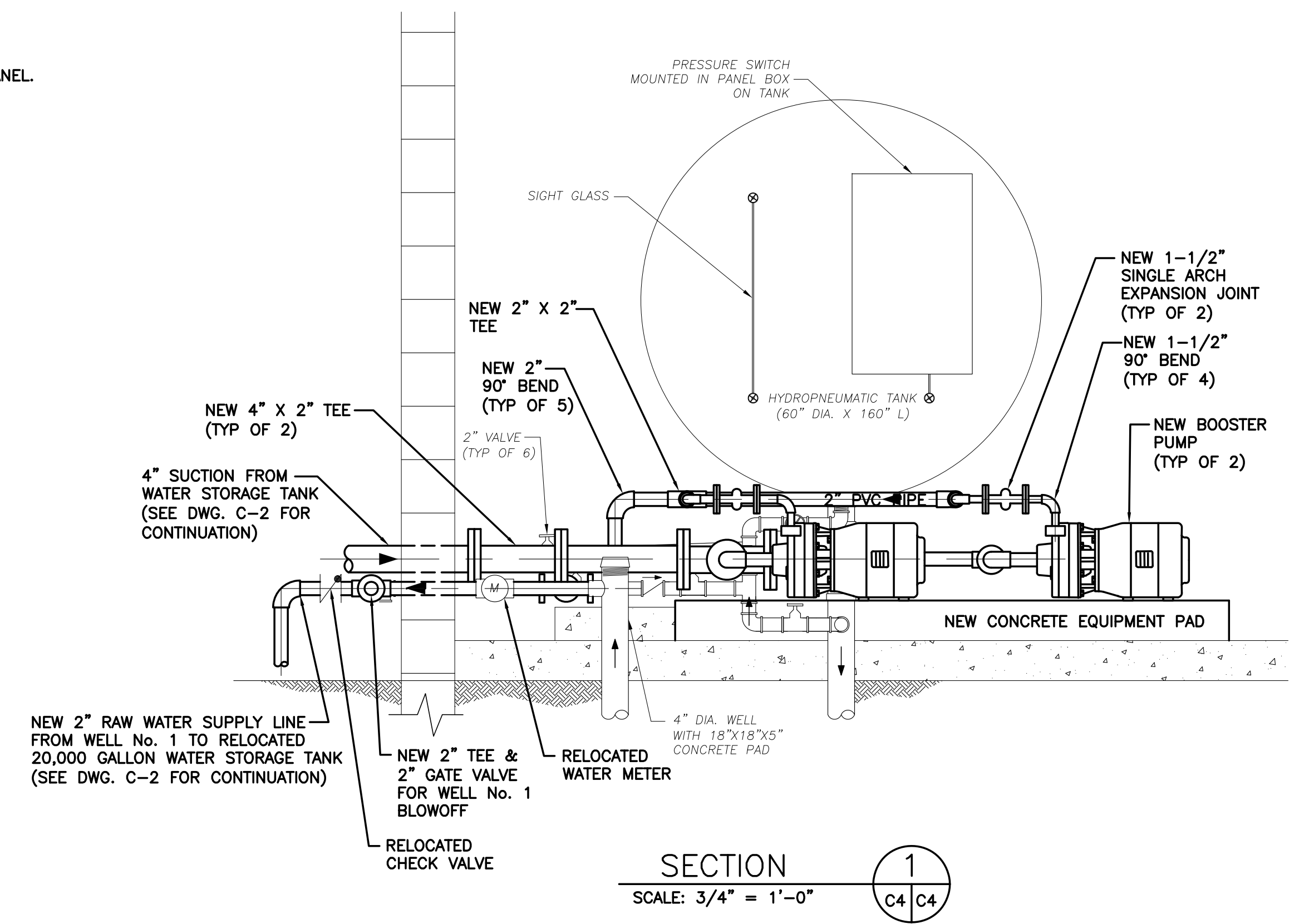
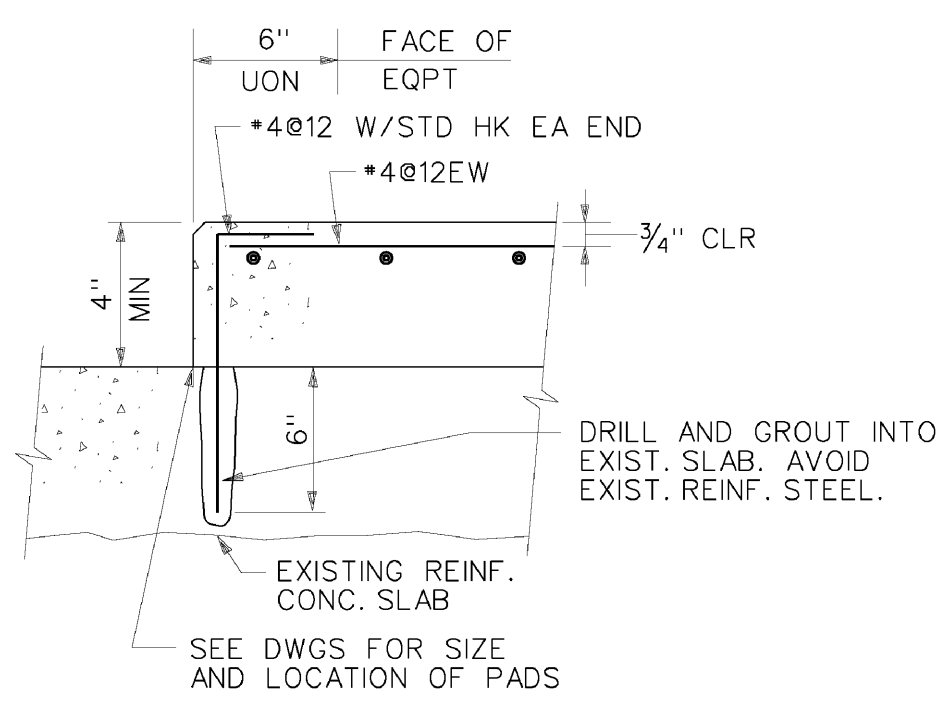
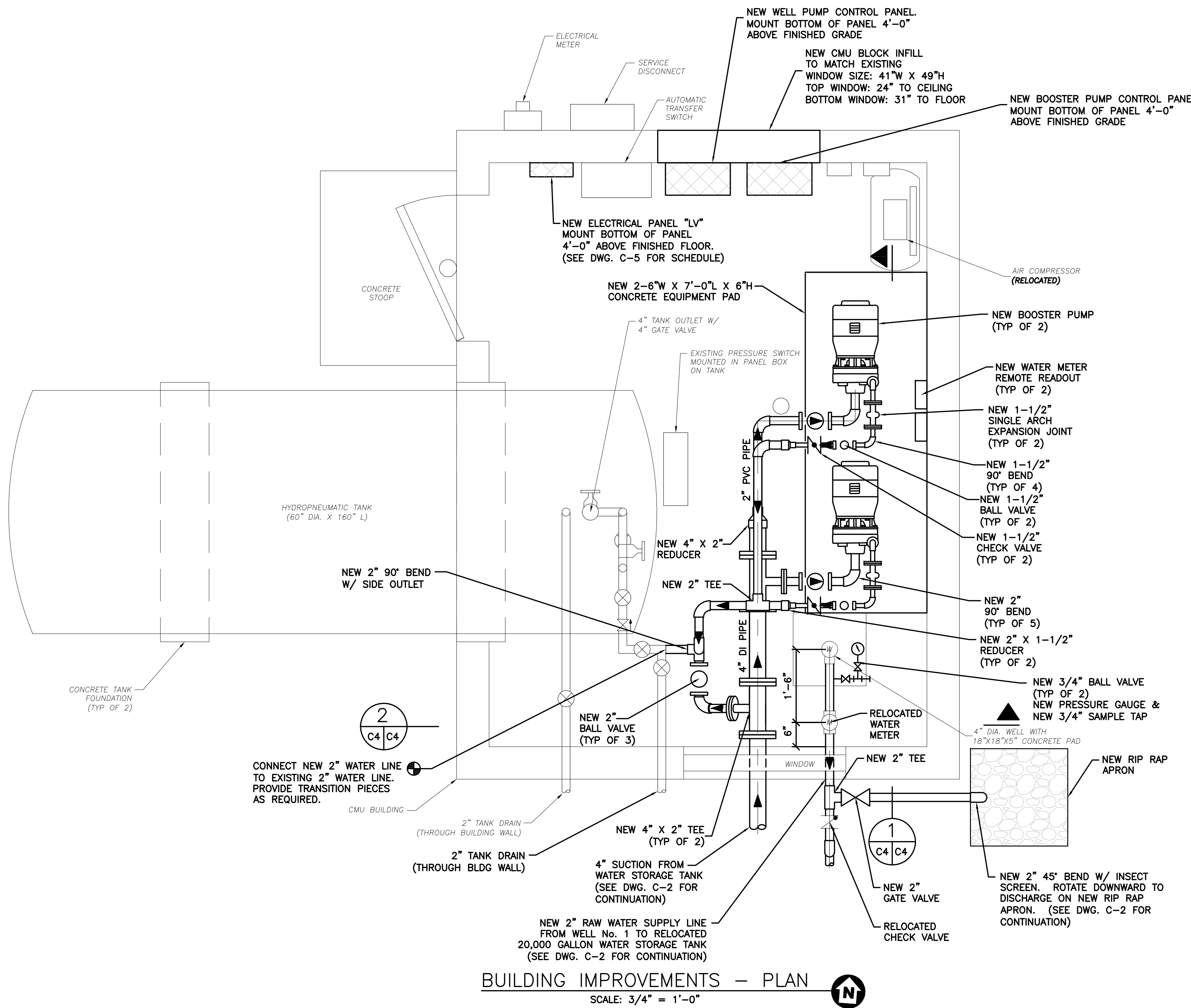
IF THIS DRAWING IS A REDUCTION GRAPHIC SCALE MUST BE USED



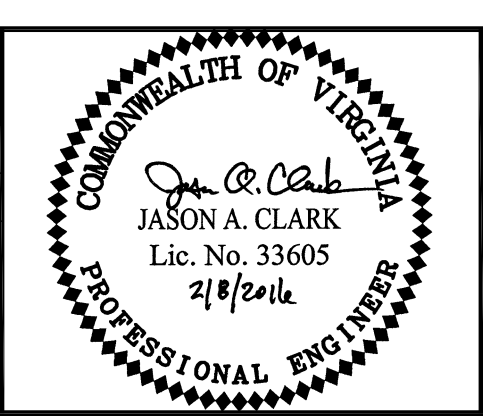
NO.	SHEET REVISION	BY	DATE	NO.	SHEET REVISION	BY	DATE
1.	REVISED PER VDH COMMENTS	JMF	6-2-15				
2.	REVISED PER COUNTY COMMENTS	WSW	9-18-15				



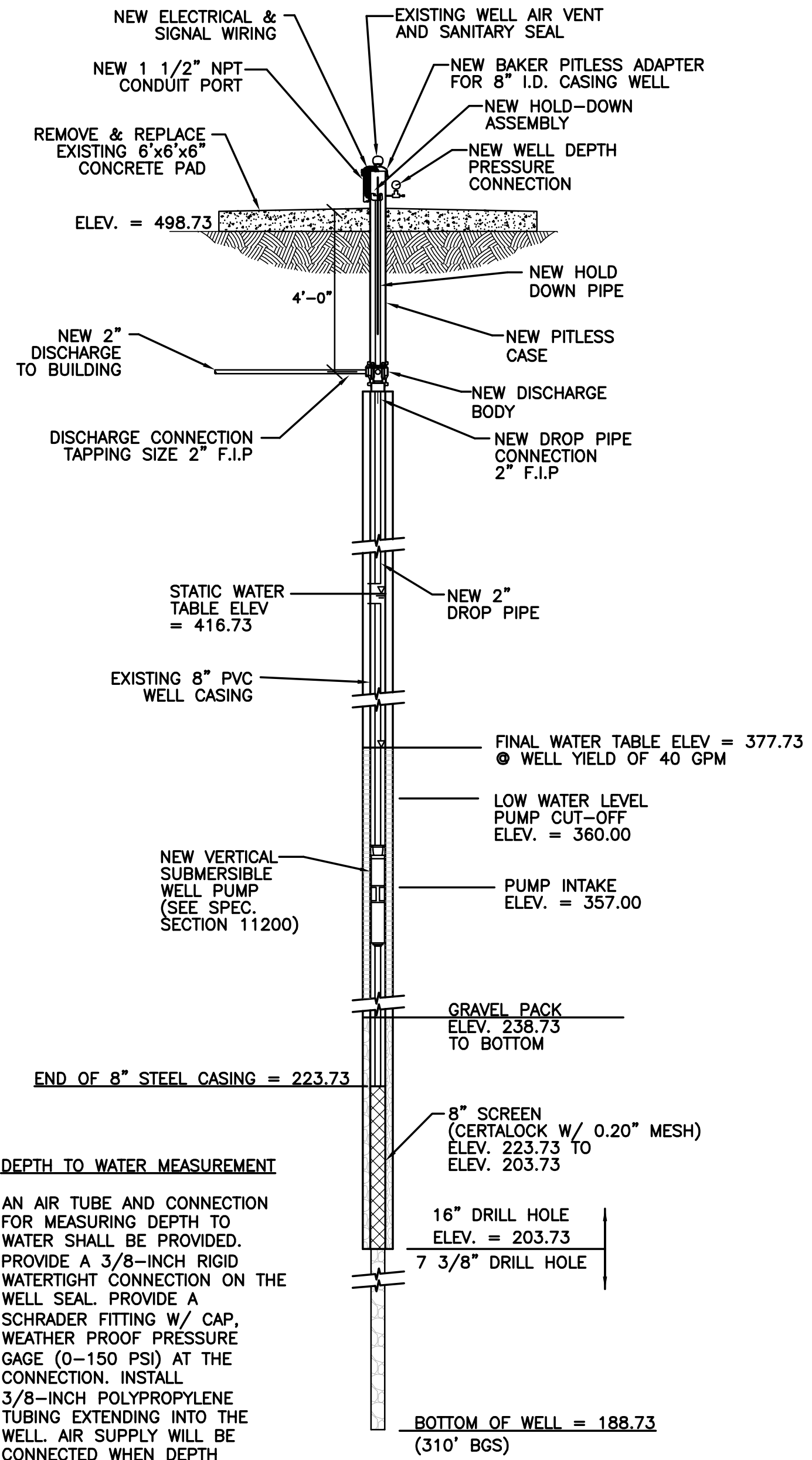
DESIGNED BY: JMF	PROJECT: DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA	SET REV. NO. 5
DRAWN BY: WSW	TITLE: EXISTING BUILDING - DEMOLITION PLAN AND SECTIONS	DRAWING NUMBER: C-3
DIHR BY: JAC	FILE NAME: 214024.03L_BLD.dwg	SHEET NUMBER: 3 of 5
WWA NUMBER: 214024.03	DISCIPLINE: CIVIL	SCALE: AS SHOWN V: N/A
	DATE: 11-20-14	



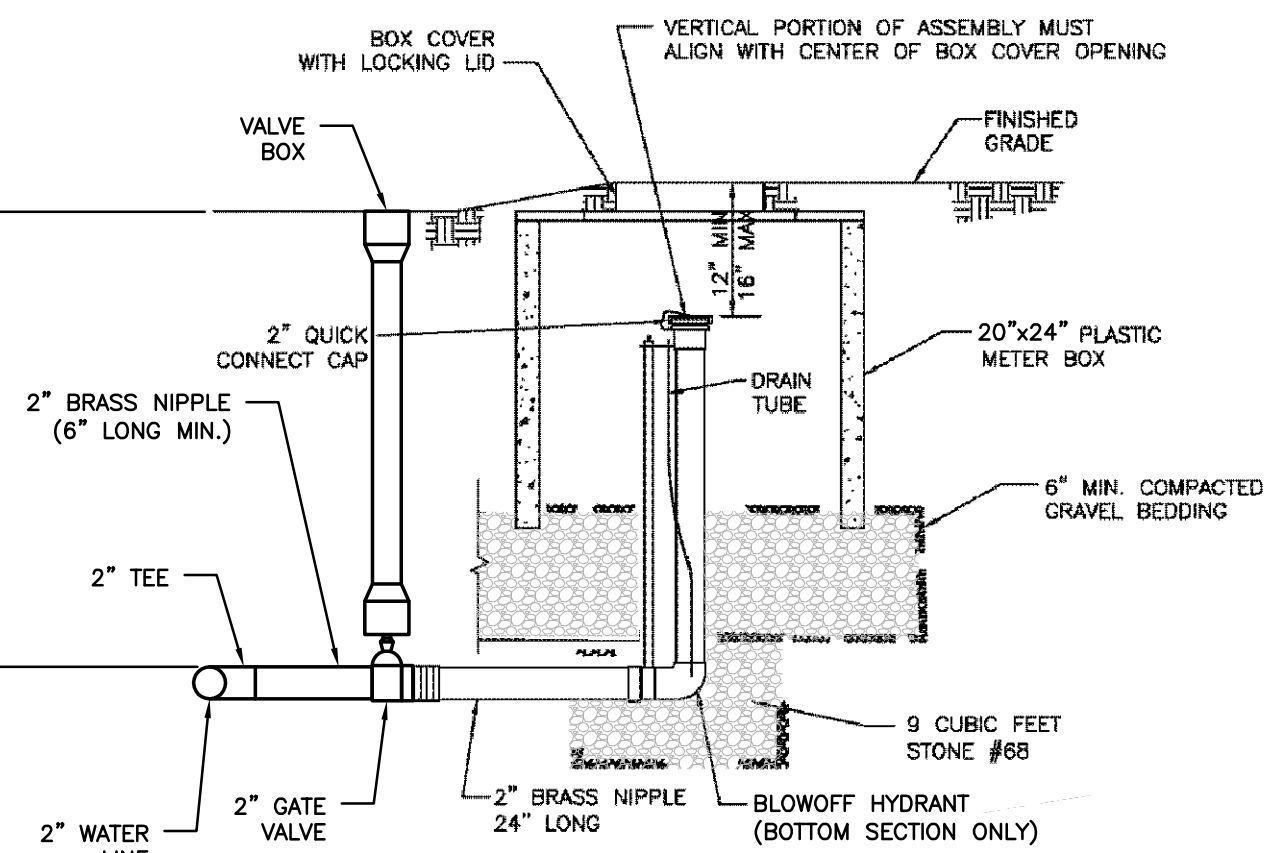
NO.	SHEET REVISION	BY	DATE	NO.	SHEET REVISION	BY	DATE
1.	REVISED PER VDH COMMENTS	JMF	6-2-15				
2.	REVISED PER COUNTY COMMENTS	WSW	9-18-15				



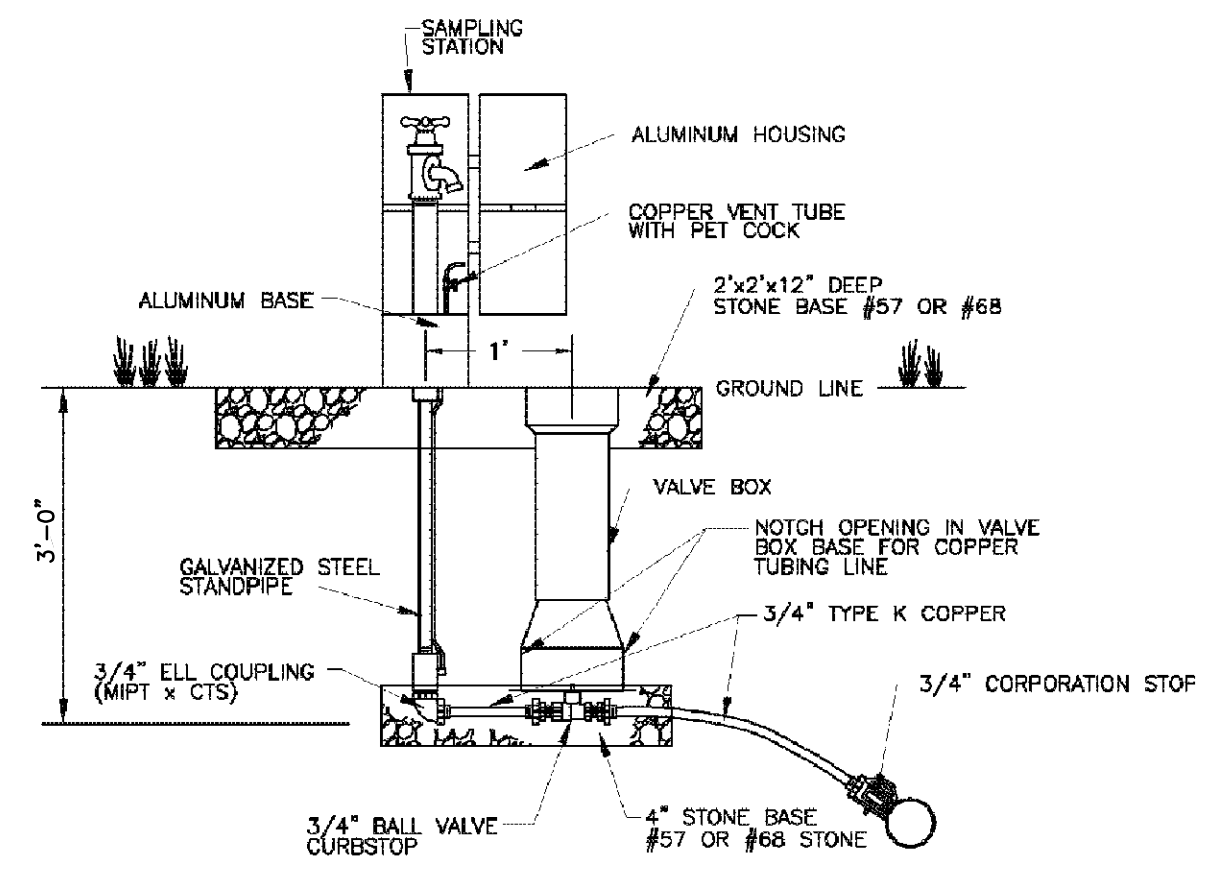
DESIGNED BY: JMF	PROJECT:	SET REV. NO.
DRAWN BY: WSW	DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA	5
DIHR BY: JAC	TITLE:	DRAWING NUMBER:
	BUILDING IMPROVEMENTS - PLAN AND SECTIONS	C-4
WVA NUMBER: 214024.03	FILE NAME: 214023.03L_BLDIMP.dwg	SHEET NUMBER: 4 of 5
	DISCIPLINE: CIVIL	SCALE: H: AS SHOWN V: N/A
	DATE: 11-20-14	



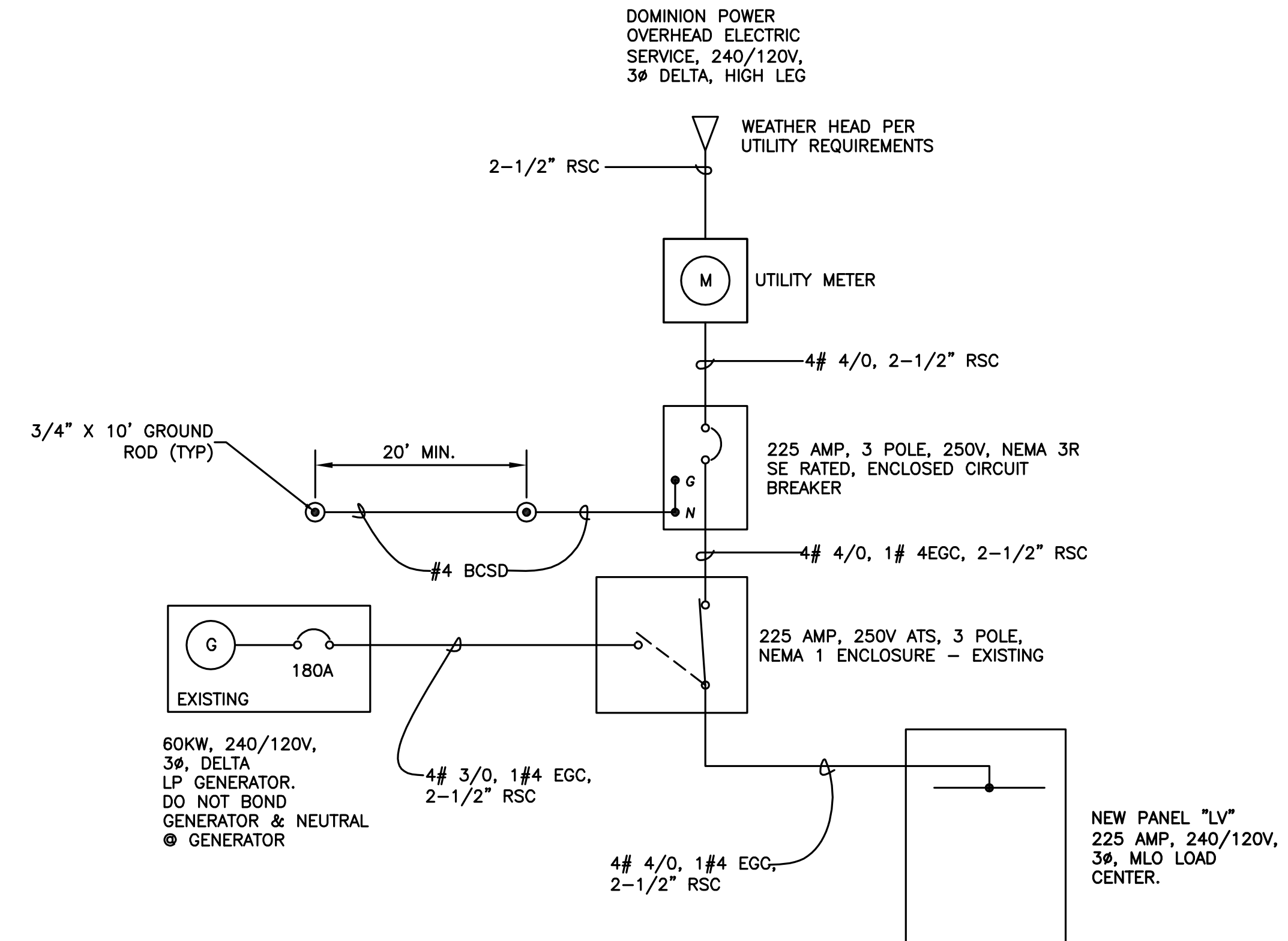
WELL DETAIL
SCALE: NOT TO SCALE



BLOWOFF ASSEMBLY
SCALE: NOT TO SCALE

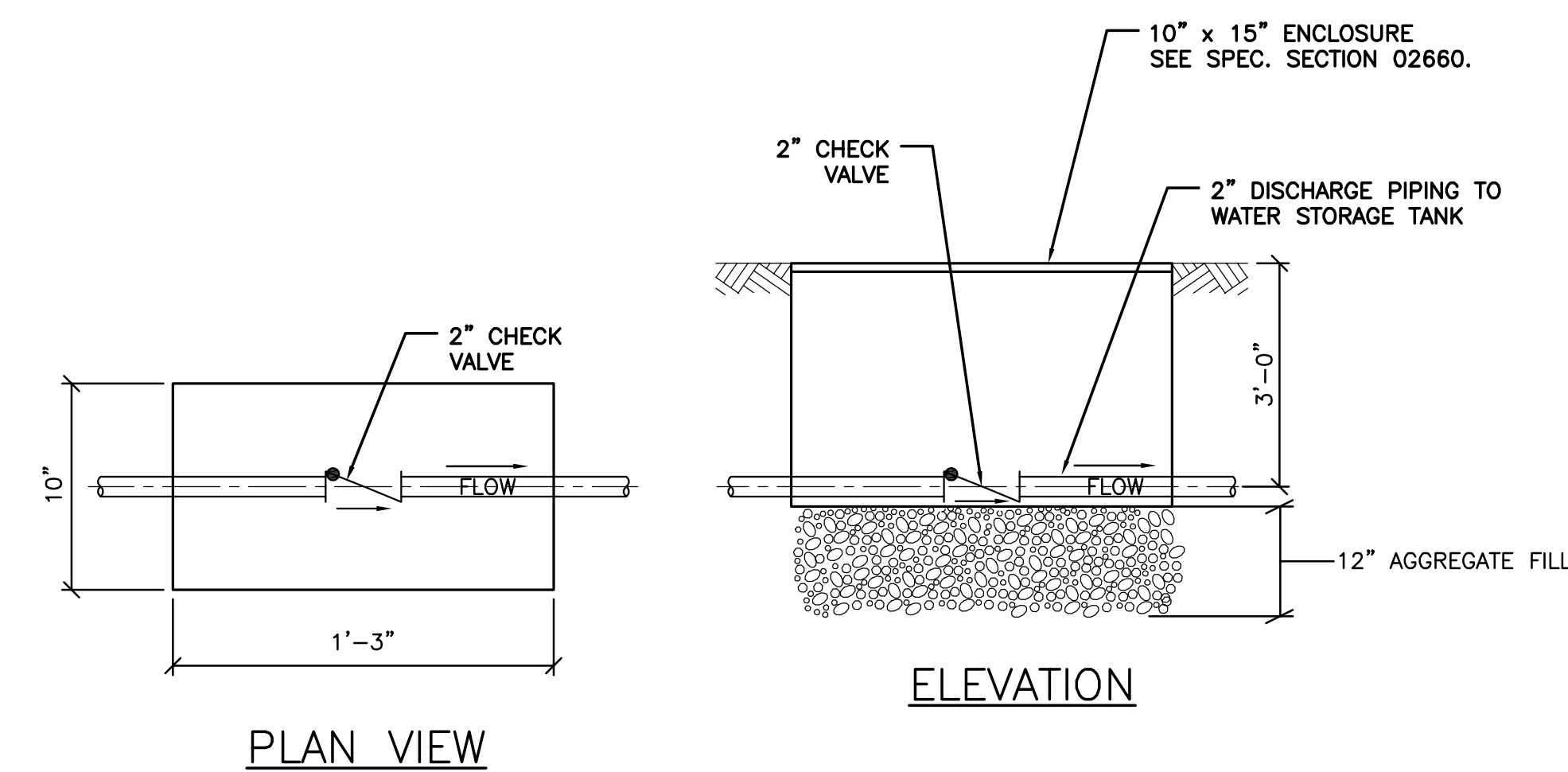


SAMPLING STATION ASSEMBLY
SCALE: NOT TO SCALE

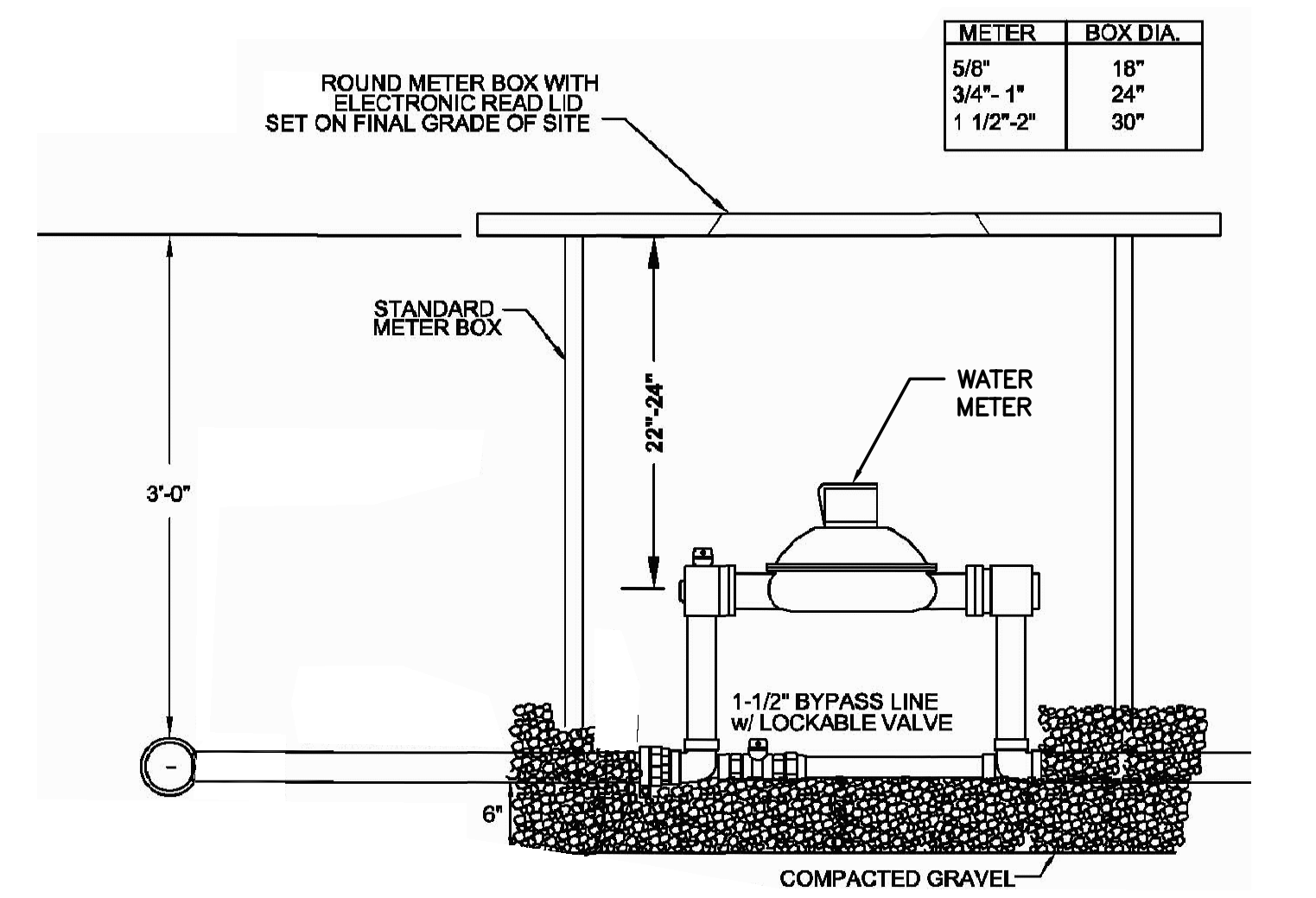


ELECTRICAL SERVICE ONE-LINE DIAGRAM

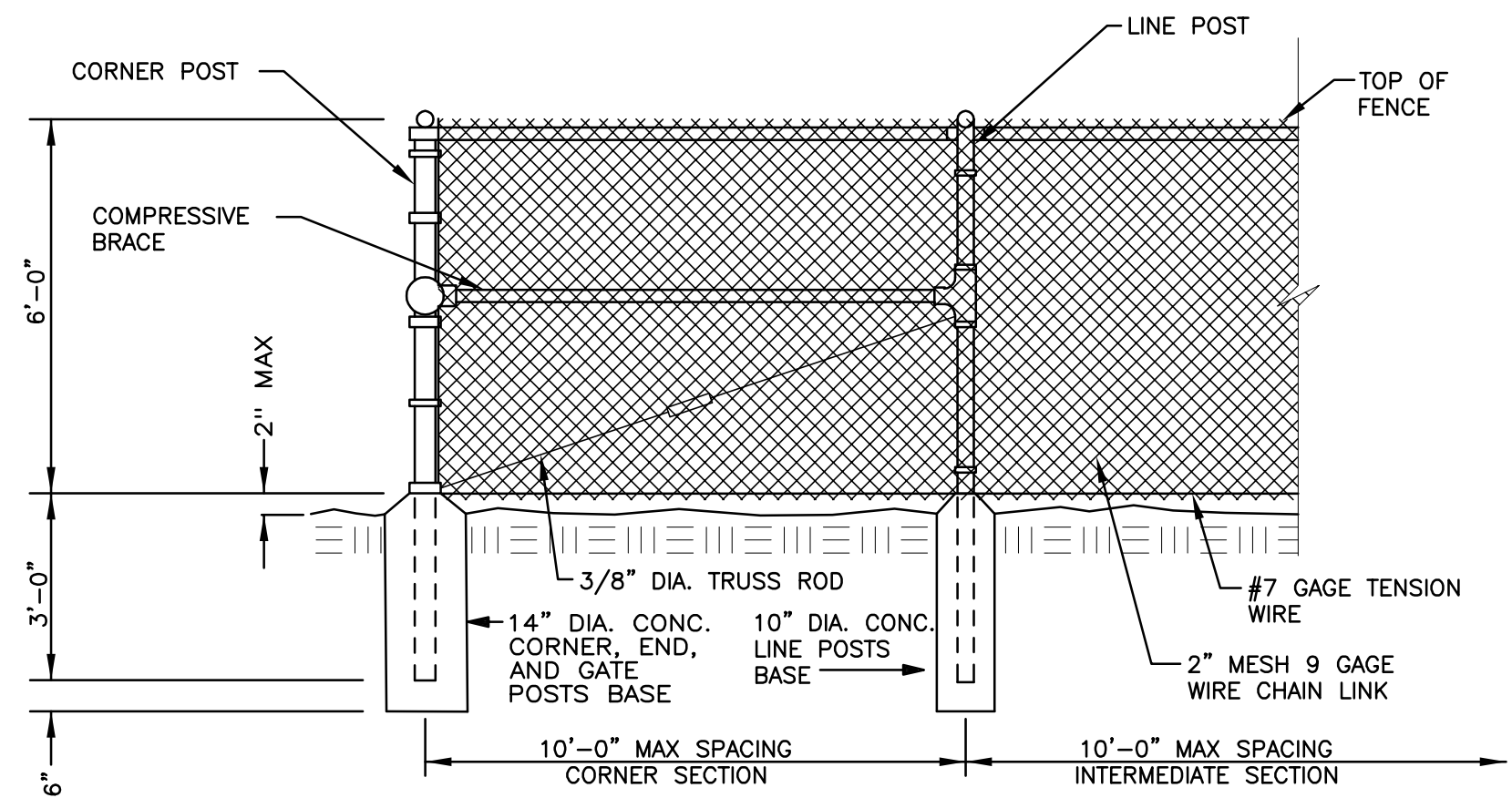
REPLACEMENT PANEL "LV"		PHASE TO PHASE VOLTS: 240						
PANELBOARD CHARACTERISTICS:		PHASE TO NEUT. VOLTS: 120						
VOLTS: 120/240		225 AMP MAIN LUGS ONLY						
PHASES: 3		MINIMUM SHORT CIRCUIT RATING: 14,000 RMS SYM AMPS						
WIRES: 4		CAUTION HIGH LEG, VERIFY HIGH LEG PHASE AND MARK ON PANEL						
SOLID NEUTRAL, GROUND BAR								
CKT. NO.	POLE NO.	DESCRIPTION	LOAD TYPE	CONN. KVA	CONN. AMPS	BREAKER	NO. & WIRE SIZE	COND. SIZE
1	1	EXISTING LOAD RELOCATED TO NEW PANEL		1.0	8.3	1	20	RECONNECT EXST CONDUCTORS
3	3	EXISTING LOAD RELOCATED TO NEW PANEL		1.0	8.3	1	20	RECONNECT EXST CONDUCTORS
5	5	EXISTING LOAD RELOCATED TO NEW PANEL		1.0	8.3	1	20	RECONNECT EXST CONDUCTORS
7	7	EXISTING LOAD RELOCATED TO NEW PANEL		1.0	8.3	1	20	RECONNECT EXST CONDUCTORS
9	9	EXISTING LOAD RELOCATED TO NEW PANEL		4.5	18.8	2	20	RECONNECT EXST CONDUCTORS
11	11	EXISTING LOAD RELOCATED TO NEW PANEL		4.5	18.8	2	20	RECONNECT EXST CONDUCTORS
13	13	EXISTING LOAD RELOCATED TO NEW PANEL		4.5	18.8	2	20	RECONNECT EXST CONDUCTORS
15	15	EXISTING LOAD RELOCATED TO NEW PANEL		4.5	18.8	2	20	RECONNECT EXST CONDUCTORS
17	17	SPACE				1		
19	19	EXISTING LOAD RELOCATED TO NEW PANEL		1.0	8.3	1	20	RECONNECT EXST CONDUCTORS
21	21	HEAT TRACING @ VERTICAL STORAGE TANK		1.0	8.3	1	20	12 12 12 1"
23	23	LEVEL TRANSDUCER @ VERT. STORAGE TANK		0.4	3.3	1	20	12 12 12 3/4"
25	25	SPACE				1		
27	27	SPACE				1		
29	29	SPACE				1		
2	2	WELL PUMP CONTROL PANEL	E	22.4	53.9	3	100	1/0 - 8 2"
6	6	2 X 10HP @ 11.2KVA EA			53.9			1/0 - 8 2"
8	8	EXISTING AIR COMPRESSOR LOAD RELOCATED	E	6.0	14.4	3	30	RECONNECT EXST CONDUCTORS
10	10	EXISTING AIR COMPRESSOR LOAD RELOCATED	E	6.0	14.4	3	30	RECONNECT EXST CONDUCTORS
12	12	EXISTING AIR COMPRESSOR LOAD RELOCATED	E	6.0	14.4	3	30	RECONNECT EXST CONDUCTORS
14	14	EXISTING AIR COMPRESSOR LOAD RELOCATED	E	6.0	14.4	3	30	RECONNECT EXST CONDUCTORS
16	16	BOOSTER PUMP CONTROL PANEL	E	17.6	42.3	3	80	1 - 8 1 1/2"
18	18	2 X 7.5HP @ 8.8 KVA EA			42.3			1 - 8 1 1/2"
20	20	SPACE				1		
22	22	SPACE				1		
24	24	SPACE				1		
26	26	SPACE				1		
28	28	SPACE				1		
30	30	SPACE				1		
TOTALS					146.1	164.8	132.7	



DETAIL - CHECK VALVE ENCLOSURE
SCALE: NOT TO SCALE



DETAIL - WATER METER
SCALE: NOT TO SCALE



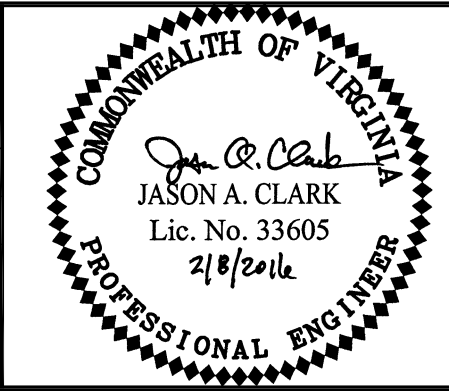
CHAIN LINK FENCE DETAIL
NOT TO SCALE

NOTES:
1. MIN 28-DAY CONCRETE COMPRESSIVE STRENGTH SHALL BE 2,500 PSI.

M:\214024.00 Drewryville\Final (2014)\214024.03L_DET1.dwg

1.	ADDED WELL DETAIL	JMF	2-4-15
2.	REVISED PER VDH COMMENTS	JMF	6-2-15
3.	REVISED PER COUNTY COMMENTS	WSW	9-18-15
4.	REVISED ELEVATIONS ON WELL DETAIL	WSW	11-18-15

NO.	SHEET REVISION	BY	DATE	NO.	SHEET REVISION	BY	DATE
-----	----------------	----	------	-----	----------------	----	------



DESIGNED BY:	JMF
DRAWN BY:	WSW
DIHR BY:	WKH
WVA NUMBER:	214024.03

PROJECT:	DREWRYVILLE WATER SYSTEM IMPROVEMENTS SOUTHAMPTON COUNTY, VIRGINIA		
TITLE:	PROJECT DETAILS, ELECTRICAL DIAGRAM, AND PANEL SCHEDULE		
FILE NAME:	214024.03L_DET1.dwg	DISCIPLINE:	CIVIL
SCALE:	H: AS SHOWN V: N/A	DATE:	11-20-14

SET REV. NO.	5
DRAWING NUMBER:	C-5
SHEET NUMBER:	5 of 5