

**AGENDA**  
**BOARD OF SUPERVISORS**  
**REGULAR MEETING**  
**MAY 11, 2021**

1. Meeting called to order – 8:30 a.m., Board Room, County Administration Building.
2. Opening Prayer.
3. Pledge of Allegiance.
4. Approval of minutes of [April 9, 2021](#); [April 13, 2021](#); and [April 27, 2021](#).
5. Approval of [monthly disbursements](#).
6. Delegations:
  - a. 9:00 a.m. – Public Comment Period.
  - b. 9:15 a.m. – Constitutional Officers Reports.
  - c. 9:30 a.m. – Mr. David Clarke, Resident Engineer, Virginia Department of Transportation.
  - d. 10:15 a.m. – Dr. John Wheeler, Superintendent, Floyd County Public Schools.
  - e. 10:30 a.m. – Closed Session regarding Fiscal items and Budget.
    - §2.2-3711 A.7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body.
    - §2.2-3711 A.8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.
  - f. 11:30 a.m. – Mr. Steve Durbin of Sands Anderson, County Attorney, to discuss cigarette tax options.
  - g. 12:00 p.m. – Closed Session regarding Manufacturing and Support Services.
    - §2.2-3711 A.3. – Discussion of the acquisition or disposition of real Property
    - §2.2-3711 A.5. – Discussion of a prospective business or expansion of an existing business
    - §2.2-3711 A.29. – Discussion of the award of a public contract.
7. County Administrator’s Report.
  - a. Approval of FY22 tax rates for Real Estate, Public Service Corporation, and Mobile Homes; Personal Property; Machinery/Tools; and Merchants Capital (*action required*).
  - b. Adoption of [Resolution](#) to accept the financing proposal dated April 8, 2021 from Truist Bank for the Economic Development Authority of Floyd County to issue, offer and sell its lease revenue bond in an amount of approximately \$5,150,000 to finance a new radio communications system for the County and also in an amount of approximately \$1,950,000 to finance a shell building to be developed for economic development purposes with an interest rate set forth in such proposal and to authorize the appropriate officials to execute the documents which include a [Ground Lease](#), a [Lease Agreement](#), a [Bond Purchase Agreement](#), and an [Assignment Agreement](#)

- (action required)*. [Lease Revenue Bond, Series 2021A](#) and [Lease Revenue Bond, Series 2021B](#).
- c. Adoption of [Resolution](#) to accept the financing proposal dated April 6, 2021 from Skyline National Bank for the Economic Development Authority of Floyd County to issue, offer and sell its lease revenue bond in an amount of approximately \$400,000 to finance a new recreation building and office renovation; in an amount of approximately \$625,000 to finance fire and rescue vehicles; and also in an amount of approximately \$475,000 to finance a garbage truck and ambulance with an interest rate set forth in such proposal and to authorize the appropriate officials to execute the documents which include a [Bond Purchase Agreement](#) and a [Financing Agreement](#) *(action required)*. [Revenue Bond, Series 2021C](#), [Revenue Bond, Series 2021D](#), and [Revenue Bond, Series 2021E](#).
  - d. [FY21 audit engagement with Robinson, Farmer, Cox Associates, PLLC](#) *(action required)*.
  - e. [Request in the FY21 School Budget](#) a revenue supplement in the amount of \$36,708.57 from federal CARES Act ESSER & GEER Set-Aside and an expenditure supplement in the amount of \$8101.57 to the Instructional category for Special Education services and support and \$28,607.00 to the Operation & Maintenance category for facilities and cleaning supplies; and a revenue and expenditure supplement in the amount of \$26,500.00 from State funds to the Instructional category to be used for Positive Behavioral Intervention and Support. *(action required)*.
  - f. [Approve request for revenue funding source correction in the FY21 School Budget](#) that the Advancing Computer Science Education grant for \$77,166 be in the State category rather than the Federal category *(action required)*.
  - g. [Petition from Treasurer](#) dated April 23, 2021 to destroy records per Code of Virginia §58.1-3129. Destruction of paid tax tickets; other tax tickets, records. *(action required)*.
  - h. [Re-appointment of Mr. Leon Moore to the 9<sup>th</sup> District Development Financing](#) for a two- year term beginning June 1, 2021 and ending May 31, 2023. *(action required)*.
  - i. [Re-appointment of Dr. Margaret Dewald-Link to the New River Community College Board](#) for a four-year term beginning July 1, 2021 and expiring June 30, 2025 *(action required)*.
  - j. [Re-appointment of Mr. John McEnhill to the New River Community Action Board](#) for a two-year term beginning July 1, 2021 and expiring June 30, 2023 *(action required)*.
  - k. [Re-appointments of Mr. Cline Hall and Mr. Carl Kempa](#) to the Uniform Statewide Building Code Local Board of Appeals each for a four-year term beginning July 1, 2021 and expiring June 30, 2025 *(action required)*.
  - l. [Re-appointment of Mr. John McEnhill to the Floyd County Social Services Board](#) for a four-year term beginning July 1, 2021 and expiring June 30, 2025 *(action required)*.
  - m. Re-appointment of Mr. Doug Thompson to the Virginia Action Safety Program for a two-year term beginning July 1, 2021 and expiring June 30, 2023 *(action required)*.
  - n. Discussion of Tourism Program Draft Agreement.
  - o. Family Subdivision Update and Enforcement.
  - p. County Administrator's Report.
8. Board Member Time.
  9. Adjournment.

**BOARD OF SUPERVISORS  
BUDGET WORK SESSION  
APRIL 9, 2021**

At a budget work session of the Board of Supervisors of Floyd County, Virginia, held on Friday, April 9, 2021 at 8:30 a.m. in the Board Room of the County Administration Building thereof;

PRESENT: Joe D. Turman, Chairman; Jerry W. Boothe, Vice Chairman; W. Justin Coleman, Linda DeVito Kuchenbuch, and Lauren D. Yoder, Board Members; Dr. Linda Millsaps, County Administrator; Cynthia Ryan, Assistant County Administrator; and Tabitha Hodge, Operations Manager livestream and film the meeting.

Agenda Item 1. – Budget Work Session.

Chairman Turman called the budget work session to order.

Agenda Item 2. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 3. – Pledge of Allegiance.

Chairman Turman led in the Pledge of Allegiance.

Agenda Item 5. – Budget Workshop discussion with Mr. Griffin Moore and Mr. Kyle Laux of Davenport and Company.

Dr. Millsaps – As we were thinking about how to structure the meeting this morning, we thought we would start with Davenport and Company and let them walk you through the results from the request for proposals, their recommendation, and how that would impact the potential tax rate. You are welcome to ask them questions. After that we have a closed session item with a target of returning to the budget discussion at 10:15 a.m. The goal is to have you decide on the budget and tax rate to advertise for a public hearing. I understand someone needs to leave at 11:30 a.m. so we were trying to condense the morning but get everything done that you need to address.

Mr. Laux – We are happy to provide you with an initial briefing of the financing we have been talking about as that will play a part in how you think about your budget and what you advertise for FY22. Mr. Rose will be there Tuesday evening to provide much more detail about the aspects we received on the financing and recommendations. In February we talked about a plan to seek bank financing for about \$8 million in capital projects. To pay for the bank financing it would in part rely on additional recurring revenues coming out of the general fund budget. The increment of those additional revenues would be either 5.5¢ or equivalent on the real estate tax rate or 3¢. Mr. Rose will share the actual details of the results from the request for proposals on Tuesday. Mr. Moore and I want to let you know this morning that the bank bids

have come back in favorably and you have a number of options to talk about on Tuesday. Basically, of those two scenarios we talked about back in February, we can get the entire \$8 million we talked about for the radio system, permanent financing for the shell building, recreation center, ambulance, fire truck, and sanitation truck; with the 3¢ equivalent impact that you have programmed into your proposed FY22 budget. The way that budget is sustainably set up relies upon the 3¢ that would be new recurring additional revenue in the budget. It also relies in part on the \$197,000 in the capital reserve fund and on some of the meals tax money that has been banked so far, and that being moved into the capital reserve fund to help the overall plan for cash flow and be sustainable going forward. Our overall message this morning is that between the 5.5¢ case and the 3¢ case, it is really the 3¢ case that makes all of this work. We will be back to you on Tuesday with all the details and the actual financing. We just wanted to make you aware of this as you are determining the tax rate to advertise with respect to your FY22 budget.

Vice Chairman Boothe – I just want to clarify that is 1¢ associated with the School costs and 2¢ with the debt?

Mr. Laux – That is correct.

Vice Chairman Boothe – How much of the meals tax will we be using?

Ms. Ryan – To make this work we would finance the Recreation Building instead of paying cash and we would move \$400,000 of the Meals Tax Fund into the Capital Reserve Fund. Also, we would use \$175,000 in recurring meals tax revenue to pay the debt.

Vice Chairman Boothe – Would the financing cover renovations to the existing space in addition to the construction of the new building?

Ms. Ryan – It partly depends on how much we spend on the construction of the new building. The last time I spoke with Mr. Bolt, he estimated the new building could cost anywhere between \$300,000 and \$350,000. In that case there would be some room for the match on a grant for remodeling costs to be covered.

Mr. Laux – In the request for proposal we used \$350,000 for the Recreation Building.

Ms. Ryan – In the request for proposal we refer to that amount as the Recreation Building. Would the bank allow us to use possibly \$300,000 for the construction of the Recreation Building and \$50,000 for remodeling costs on the building they are vacating to make it suitable for the next agency moving in?

Mr. Laux – I think the short answer is “yes.” As long as what we are using the money for is renovations to an existing County owned facility, whether it is the Recreation Building or building something out for a different County agency, that should be fine.

Supervisor Yoder – You feel comfortable with the number that needs to be in our budget?

Ms. Ryan – Yes, I will change the estimate for the new debt so that the bottom line exactly equals 3¢ to break even.

Agenda Item 5. – Closed Session with Ms. Lydeana Martin, Community & Economic Development Director regarding manufacturing and support services.

On a motion made by Supervisor Kuchenbuch, seconded by Supervisor Boothe, and unanimously carried, it was resolved to go into closed session for manufacturing and support services under § 2.2-3711 A.3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body., § 2.2-3711 A.5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community., and § 2.2-3711 A.29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Coleman, and unanimously carried, it was resolved to come out of closed session.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and unanimously carried, it was resolved to adopt the following certification resolution:

**CERTIFICATION RESOLUTION  
CLOSED MEETING**

WHEREAS, this Board convened in a closed meeting on this date pursuant to an affirmative recorded vote on the motion to close the meeting to discuss manufacturing and support services under § 2.2-3711 A.3., § 2.2-3711 A.5., and § 2.2-3711 A.29., of the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

This certification resolution was adopted.

Agenda Item 4. – Budget Work Session discussion.

Supervisor Justin Coleman stated the following for the record:

Today's discussion involves the County budget which includes funding for the Floyd County Sheriff's Office. As many of you know, I am employed by the Floyd County Sheriff's Office. The proposed funding would affect the entire department and not just me individually. Together we constitute a group of three or more individuals who are similarly employed by the Sheriff's Office and similarly affected by the discussion. Therefore, the exception of State and Local Government Conflict of Interests Act section § 2.2-3112 A (i) applies to this situation and I am able to participate in this discussion fairly and in the public interest. Thank you.

By consensus, the Board requested that the budget ad be made available to The Beacon for possible inclusion on their online website and to advertise the budget ad as a half page for \$680 in The Floyd Press.

Ms. Ryan – Representatives from several agencies have expressed interest in being able to address the Board on their funding request. I responded that no agency has been invited to come at this point and that while budgets are subject to change up until final approval, the draft FY22 budget right now reflects level funding from last year.

Dr. Millsaps – My suggestion would be to not have them come now as your time is so compressed, but over the course of the year, at different times, we can start scheduling a 5-minute presentation from various agencies. Several agencies over the course of a year will have the opportunity to tell you about their current direction and success.

By consensus, the Board agreed to Dr. Millsaps' suggestion.

The Board and Dr. Millsaps discussed green boxes and Solid Waste:

- 1) The high school building trades instructor might possibly be able to have his classes construct wood fencing as part of shop class around at least one green box site;
- 2) High school classes might be able to design something, but not install it, as a solution for the high wind problem at the new Indian Valley green box site;

- 3) Residents request that notice be posted when it is known that a green box site will be closing, before the boxes are removed;
- 4) For all new green box sites, written and signed agreements will be obtained, and those agreements will include a termination clause;
- 5) Permanent metal signage could be put up at a couple of green box sites to see if residents use the site as intended;
- 6) We could waive transfer station fees from April 22, which is Earth Day, to April 24;
- 7) Also starting with Earth Day, Transfer Station hours could be changed with it being open on Tuesday and Thursday from 11:00 a.m. to 7:00 p.m. and be open in the afternoon on Saturday instead of being open in the morning;
- 8) We don't have to file a permit change with Department of Environmental Quality until we decide to make the change in hours permanent;
- 9) Recycling target numbers probably will not be met this year and a waiver might need to be filed;
- 10) Some of the money in Capital Outlay: Refuse Containers funding will be used to buy bear resistant containers for the areas with the largest bear problems;
- 11) Floyd County needs to restart the effort to monitor green box sites for illegal dumping and take offenders to Court.

Dr. Millsaps provided an update on the possibility of implementing a cigarette tax with a regional approach:

- 1) To do a regional board you have to have 6 jurisdictions participate;
- 2) Four have currently committed; Giles County has said "no;" Floyd County and the Town of Floyd have not committed one way or another;
- 3) 40¢ is the tax amount being discussed as a group recommendation, because that is what Town of Christiansburg is currently assessing and they agree to join the region if the tax rate continued to be 40¢;
- 4) Floyd County would like more information on the costs of the regional approach versus local approach and potential revenues under each approach.

The Board discussed how long it has been since the property tax rate was increased and how much revenue is generated by a one cent increase in property tax.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and carried, it was resolved to authorize the County Administrator to advertise the proposed FY22 Floyd County budget for Public Hearing on April 27, 2021 at 7:30 p.m. in the Board Room of the County Administration Building with the proposed tax rate of 63¢ on real estate and \$3.20 on personal property.

Supervisor Coleman – no  
 Supervisor Kuchenbuch – yes  
 Supervisor Yoder – yes  
 Supervisor Boothe – yes  
 Supervisor Turman – yes

Agenda Item 8. – Other items of business

Vice Chairman Boothe – Have we looked at our reduction for Disabled and Elderly Relief lately? Could we look into that?

Dr. Millsaps – Yes.

Board members discussed the need to look at all permits and fees at a later date.

Agenda Item 9. – Adjournment.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Yoder, and carried, it was resolved to adjourn the meeting to April 13, 2021 at 8:30 a.m.

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Dr. Linda Millsaps, County Administrator

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Joe D. Turman, Chairman, Board of Supervisors



4.b.

**BOARD OF SUPERVISORS  
REGULAR MEETING  
APRIL 13, 2021**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, April 13, 2021 at 8:30 a.m. in the Board Room of the County Administration Building thereof;

PRESENT: Joe D. Turman, Chairman; Jerry W. Boothe, Vice Chairman; W. Justin Coleman, Linda DeVito Kuchenbuch, and Lauren D. Yoder, Board Members; Dr. Linda S. Millsaps, County Administrator; Cynthia Ryan, Assistant County Administrator, Tabitha Hodge, Operations Manager to livestream and film the meeting.

Agenda Item 1. – Meeting Called to Order.

Chairman Turman called the meeting to order at 8:30 a.m.

Agenda Item 2. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 3. – Pledge of Allegiance.

Supervisor Kuchenbuch led in the Pledge of Allegiance.

Agenda Item 4. – Approval of minutes of March 3, 2021; March 9, 2021; March 23, 2021 and March 24, 2021.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to approve the minutes of March 3, 2021; March 9, 2021; March 23, 2021 and March 24, 2021 as presented.

- Supervisor Coleman – yes
- Supervisor Kuchenbuch – yes
- Supervisor Yoder – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Agenda Item 6.a. – Mr. Chad Alls, Director of Floyd County Social Services (DSS).

Mr. Alls introduced Ms. Emily Kennedy as the Child Protective Services (CPS) Ongoing Worker who has been with DSS since October 2020. Ms. Kennedy will discuss the transition of CPS Ongoing Services to something new which is being called In-Home Services.

Ms. Kennedy – The State is re-structuring how we do CPS Ongoing and transitioning it into something called CPS In-Home Services. The main goal of CPS In-Home Services is to prevent entry into Foster Care as well as to lower risk of future maltreatment for kids. We get

CPS In-Home cases after the CPS Investigator finishes their investigation or family assessment and determines the family could benefit from further services. One of the main platforms we use for CPS In-Home is collaboration with the family. The State is really stressing family engagement, identifying individualized needs, and working on service goals for the family. CPS In-Home can take 3 different tracks:

- 1) Family Support – for short-term assessment cases
  - a. Usually, families who are already volunteering in services
  - b. DSS monitors progress
  - c. Provides support for the family
  - d. Provides a link to additional services if needed
- 2) In-Home is the most similar to what was previously CPS Ongoing for kids who have a higher risk of going into foster care
  - a. DSS identifies the risks the children are in
  - b. DSS identifies safety factors and protective capacities of the parents and family
  - c. DSS develops service plans which explains to families the risks, what DSS will do, and what DSS will be monitoring as progress
  - d. This group is the one Ms. Kennedy works with the most because they need extra services to ensure the kids are as safe as possible
  - e. DSS collaborates with the family to get buy-in so they understand why services are needed
- 3) Dual CPS and Foster Care are cases where one or more child(ren) is determined to be too vulnerable and is placed into care while other children are deemed okay to remain in the home
  - a. The foster care worker works with the child in care as well as with the family
  - b. The In-Home Services worker works with the children who remain in the home and the family and it looks like In-Home Services.

The State has also identified three different safety scenarios, which dictate how DSS administers services and what they focus on and how the family is helped:

- 1) Children remain in the home with their parents and DSS provides services in the home to increase the safety of the home.
- 2) Children are placed with a relative or a caregiver with the goal of returning home within six months. The house may not be safe at the time or the family the safest, but in those six months DSS is going to work at improving that safety so children can return home.
- 3) DSS determines the children are too at risk and the goal is that children are with alternate caregivers long term.

Regardless of the track for safety scenario, DSS is constantly identifying safety factors, protective capacities, and the risk of future maltreatment to determine where children are and how DSS will provide services. Obviously, every family is very different so DSS is constantly adapting to needs and what works for the family.

Mr. Alls – The Family First funding is driving all of this. Basically, we are taking CPS Ongoing and the prevention services that some agencies were providing and taking those two avenues and bringing them to one central lane called In-Home Services. It is also important to point out that the In-Home Services model can be confusing because at the local level DSS is not

a service provider. DSS links families to services by engaging with families to keep children out of foster care. In Floyd, our biggest issue is substance abuse. Those are some challenging issues to deal with, especially with the substances individuals are becoming addicted to.

Agenda Item 5. – Approval of monthly disbursements.

On a motion of Supervisor Coleman, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to approve the April 2021 monthly disbursements and additional bills as presented.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 7.a. – Proclamation recognizing April 18-24, 2021 as National Crime Victims' Week.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to adopt a proclamation recognizing April 18-24, 2021 as National Crime Victims' Week (Document File Number 1173).

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 7.b. – Appointment to Floyd County/Town/Economic Development Authority/School Board Strategic Planning Subcommittee for a two-year term.

On a motion of Supervisor Coleman, seconded by Supervisor Yoder, and carried, it was resolved to appoint Supervisor Jerry W. Boothe to the Floyd County/Town/Economic Development Authority/School Board Strategic Planning Subcommittee for a two-year term effective May 1, 2021.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – abstain  
Supervisor Turman – yes

Agenda Item 6.c. – Constitutional Officers Reports.

Sheriff Brian Craig – I am here to provide an update:

- 1) We have two newly hired dispatchers who are both in training, so all positions in Dispatch are filled.

- 2) We have hired someone for the vacant law enforcement position, but they haven't started yet because the Academy doesn't start until June.
- 3) The Jail has finally released some trustees and they helped out for two days cleaning up around green boxes.
- 4) I provided you with information about Emergency Medical Dispatch to consider while you are working on your budget, not for this fiscal year but to know what is coming down the pike.
- 5) The School Resource grant that Deputy Shive is on will expire at the end of this year and there will be no more extensions.

Agenda Item 7.c. – Request for exception to Floyd County Ordinance 62-31 (C)(2) Vision sight distance requirements; setback for 2419 Kyle Weeks Road to be built a minimum of 20' from the edge of roadway.

Dr. Millsaps – The Building Official put some information together for you that explains the situation. There are photographs and an aerial view. It is his personal recommendation that the County require that the structure be built a minimum of 20' from the edge of the roadway.

The Board discussed the request and decided to table the agenda item until the Building Official was available to discuss the request.

Agenda Item 6.b. – Public Comment Period.

Chairman Turman read the handicapped statement, explained the rules for speaking, and called for the Public Comment Period.

**Ms. Becky Howell, Burks Fork District** – I am here requesting assistance. I have a hard time hearing you with your masks on. Would you please use the microphones or turn the volume up? Thanks.

Hearing no further comments from the audience, the Chairman declared the Public Comment Period closed.

Agenda Item 7.d. – Request in the FY21 School Budget for a revenue supplement in the amount of \$149,820.00 from federal sources and an expenditure supplement in the amount of \$77,166.00 going to Instructional category from Advancing Computer Science Education for computer science integration into classrooms and \$72,654.00 going to Technology category from CARES-Vision 2.0 Competitive Grant for Chromebook initiative to second grade students.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve in the FY21 School budget a supplemental revenue appropriation in \$149,820.00 from federal sources and an expenditure supplement in the amount of \$77,166.00 going to Instructional category from Advancing Computer Science Education for computer science integration into classrooms and \$72,654.00 going to Technology category from CARES-Vision 2.0 Competitive Grant for Chromebook initiative to second grade students.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 7.c. continued.

Mr. Mark Bolt – I received this request about one month ago. I took some pictures and looked at the site. They had stakes pegged out there. They wanted to put it up 8’ off the shoulder of the road. I knew that wouldn’t work. I got with Will Dotson of Virginia Department of Transportation (VDOT) and asked him what the right of way was there. He said 20’ from the center of the road. He went out there and looked at it. He says they need to be able to back out and pull out onto the road. VDOT doesn’t like people backing out into the road. There is another house on the south side of that road so anything real close to the road will cause problems for that neighbor. In my opinion it needs to be built at least 20’ from the edge of the road if you want to give a variance. He is right on the top of the knoll. People need to be able to see if anyone is pulling out below. I feel like 20’ would be approvable, but that is just my opinion. You are the bosses.

Supervisor Kuchenbuch – Does the additional 15’ to comply with the ordinance cause that much trouble to them?

Mr. Bolt – They would have to bring some fill material in.

Supervisor Kuchenbuch – At 20’ will they have to do that too?

Mr. Bolt – Yes, at 10’ they will have to put some fill in there. They just want to save some money. I understand wanting to save money, but we need to keep the other people safe also.

Supervisor Yoder – So there is land space available to build it and comply with the ordinance, but the topography of the land drops off.

Mr. Bolt – Yes, sir.

The Board discussed other exceptions to vision sight distance ordinance 62-31 (C)(2) granted in the past. They decided to table this request until the April 27, 2021 meeting so interested Supervisors could drive by and view the area being discussed.

Agenda Item 7.e. – Approval of resolution to appropriate the fourth quarter of the approved FY21 budget.

Vice Chairman Boothe – Do you know of anything from what you’ve seen so far that gives you concern?

Ms. Ryan – I personally find it very difficult to read the financial statements and look at the percent remaining with it not including the entire year at this point in time.

Vice Chairman Boothe – That is why I was asking, because it is hard for me with the percentage at the end being based on what has been done so far and not the entire budget.

Supervisor Kuchenbuch – It does appear that we have done relatively well. The reason we appropriated by quarters was because we did not know how things were going to go and we have done better than we hoped.

Ms. Ryan – At the point the decision was made to appropriate by quarter, we really didn't know if we were going to be in the position of having to shut down local government for a couple of months and laying off people or closing programs or departments. When the decision was made to appropriate by quarter it was definitely the right move at that point in time. As everything has progressed and with the help of the CARES money and with revenues being received as was budgeted, we have done fine this year. I cannot tell you how we stand on a department-by-department basis, but overall, my sense is that we are in good shape.

Chairman Turman – I think our department heads deserve a lot of credit for that.

Dr. Millsaps – I have heard from some of the outside folks that we also help fund that for FY22 if you are comfortable, they would prefer to not doing quarterly because some of their expenses are not necessarily even. A lot of those organization are already low in their cash reserves and it makes it challenging for them. They understood you doing it quarterly due to the level of uncertainty this past year.

Vice Chairman Boothe – I hope we can go back to doing it the way we were simply due to these financial statements so that I can follow them better.

Supervisor Kuchenbuch – I think it was the right move when we did it to be conservative and cautious, because we did not know what FY21 was going to look like.

On a motion of Supervisor Coleman, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve a Resolution of Appropriation for the fourth quarter of FY21 beginning on April 1, 2021 and ending on June 30, 2021 in the amount of \$9,506,367.00 (Document File Number 1174).

- Supervisor Coleman – yes
- Supervisor Kuchenbuch – yes
- Supervisor Yoder – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Agenda Item 7.f. – Approval of a budget transfer of \$10,147.89 from contingency to appropriate line items to continue a one-step pay increase for County employees for April 1, 2021 – June 30, 2021.

Ms. Ryan – This is the same amount we moved from contingency for the 3<sup>rd</sup> quarter. This budget transfer will complete funding the one-step increase for County employees that was implemented in December 2021.

On a motion of Supervisor Yoder, seconded by Supervisor Boothe, and unanimously carried, it was resolved to approve in the FY21 budget a transfer of \$10,147.89 from contingency to appropriate line items to continue a one-step pay increase for County employees for April 1, 2021 – June 30, 2021.

- Supervisor Coleman – yes
- Supervisor Kuchenbuch – yes
- Supervisor Yoder – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Agenda Item 7.g. – Results from mowing bid.

Dr. Millsaps – As you recall you had us go out to bid for mowing. We hoped to receive at least 3 responses. Instead, we did not receive any other than the one we originally received from the company we are currently using and that was an increase over what we are paying now. We considered taking this work and doing it in-house but based on the timing of already being in mowing season, we will look at options for the coming year. For this summer it is really too late to do anything.

Ms. Ryan – When we released the mowing bid, we put it in the newspaper, put it on our website, and sent the bid specifications to those companies who bid last year. When we did not receive a bid from them, I talked to each regarding why they did not bid. Each told me they are so busy that they are not only not taking on any new work, but they are dropping existing clients. It made me feel fortunate we have the one company interested in doing our mowing.

Supervisor Yoder – I think the problem is that companies are having a hard time finding employees.

Ms. Ryan – Yes, they both said that.

On a motion of Supervisor Yoder, seconded by Supervisor Coleman, and unanimously carried, it was resolved to accept the bid from Rakestraw Lawn Care, Inc. and to authorize the County Administrator to execute the contract (Document File Number 1175).

- Supervisor Coleman – yes
- Supervisor Kuchenbuch – yes
- Supervisor Yoder – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Agenda Item 7.h. – Results from Recreation Concessions request for proposals.

Dr. Millsaps – Unfortunately, our response here was even worse and we have no bids. Some of the options that have been discussed are having no concessions, seeing if the Boosters Club might be willing to handle concessions, or if we specifically invited convenience store owners since it is the same type of stuff they already have. But we don't know if any of them would be interested so we would like to find out your ideas for a plan B.

Vice Chairman Boothe – I had one citizen suggest that we put vending machines in for drinks and snacks.

Supervisor Yoder – The problem is that for about 70% of the year there are not enough games for actual vendors to be supported. During a football game, there is not enough going on for food to be sold. Vending machines for some of the year would be good. During softball and baseball season with 12 games, there is enough going on to support a vendor. I like the idea of a vending machine, but people are going to want more than a pack of nabs if they have ball games running all day.

Supervisor Kuchenbuch – Perhaps we could check with the School vendor contract and piggyback off of that.

Supervisor Coleman – It is very handy when you have multiple kids playing games to be able to get nachos or a hot dog. I would like to see some type of actual concession. Could there be a way for the department to establish a program where parents could be involved in lieu of registration fees? The parent could volunteer for so many hours at concessions determined by the department. It would help make registration fees more obtainable for parents. This could be a pilot program and perhaps extend it out to service taking care of the fields.

Supervisor Kuchenbuch – I think that is a great idea. Perhaps we could also reach out to church groups.

Vice Chairman Boothe – With COVID church groups are reluctant to take on something like this. If we do it ourselves, we need to reach out to our insurance and make sure we have coverage. There will have to be someone designated as the responsible party.

Ms. Ryan – Mr. Agee said one of his part-time employees was willing to coordinate concessions if people were willing to work.

Supervisor Coleman – Speaking from experience, registering two children and buying equipment can easily cost \$200. That is difficult for some folks. Anything we can do to make it affordable would be beneficial. I don't know how many people would be willing to work. It would take some creativity on the department's part to make it work.

Chairman Turman – When I was doing auctions there was a couple who would run concessions and give the money to Cystic Fibrosis. I wonder if there are civic organizations who would be willing to do this?



Supervisor Yoder – When I was on the Recreation Authority, the year I thought it was most successful we had a part-time employee who was paid to be there with regular hours. We supplemented them with volunteers. They were in charge of scheduling the volunteers, getting supplies, working if a volunteer did not show up, and keeping it clean. It cost about ½ of what concessions made but it was worth it.

Agenda Item 6.d. – Mr. David Clarke, Resident Engineer, Virginia Department of Transportation.

Mr. Clarke provided construction and maintenance updates:

a. On the maintenance side –

Dealing with weather events with help coming in from other counties	Various roads
Working on gravel roads	Various roads
Pothole patching	Oxford Street, Daniels Run, Fairview Church Road, Conners Grove Road
Worked on shoulders	Kings Store Road, White Oak
Tree cutting	I think we got to the tree on Rt. 615, but I am not positive. I will go back that way.
Dust control	On gravel roads
Ditching and pipe cleaning	
Sight distance issue	Indian Valley Road
Will lose a space to correct handicapped parking at the Courthouse	
Paving schedule for asphalt overlay is out. We will be doing some of Barberry Road, White Rock Road, Indian Valley Road, and Rts. 8 and 221.	

b. On the construction side –

The bridge in Montgomery County at the end of Rt. 615 in Pilot will be replaced next year around this time. They will work on it one lane at a time with a traffic signal.	
We will be replacing the bridge at Goose Creek down at Shawsville Pike.	
6 Year Plan	Have started work on Roger Road. The Public Hearing will be advertised for 7:00 p.m. on April 27. I will send a draft plan which will be last year's

	plan updated by taking off those roads that have been completed. The construction budget in other counties has been less than previous years. I have not looked at Floyd County's construction budget yet.
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Supervisor Coleman – I appreciate the work. They did a great job on the safety project on Indian Valley Road. It looks really, really good. I think it will help people turning in there. I mentioned some concerns to Mr. Darrell Sowers last week. I failed to mention one and that is on Alum Ridge Road between Dusty Rock Road and Lester Road. It appears to me that it was not bored deep enough and now there is a considerable hump on both lanes, all the way across the travel portion of the road. There are other places that you can feel but that is the worst.

Vice Chairman Boothe – Please pass on my thanks for the work on Rt. 8. It made a real difference. I have been in discussion with Mr. Sowers about where Laurel Branch Road and Wills Ridge Road intersect. They talked about putting a stop bar and moving it back. It seemed that there might be brush blocking that site. That structure is back on a person's property. Have they put the stop bar in yet or do you know?

Mr. Clarke – Probably not. They don't get to that type of work until later in the year.

Vice Chairman Boothe – Have you had a chance to review the pictures on the situation down on Fox Street?

Mr. Clarke – I've seen the pictures and the video. We will have to figure out what can be done about that, perhaps a drain needs to be put in.

Supervisor Boothe – I went down during the hard rain after the hail, it appears the water on Penn Road gathers and runs up on the handicap ramp. I believe if the ditch were re-established on that side and carried around the curve at the intersection it would catch a lot of the water. I know you didn't engineer it, but it appears a drain should have been put in like what was done on Oxford Street. They've had a problem there for a while, but after the new sidewalks were put in, it has intensified the problem. They put a drain on their property and had their driveway repaved and raised up. Since the sidewalk was put in, there has been a problem when two cars try to pass with one having to go into their yard. The sidewalk took up part of the road. Perhaps the traffic needs to be directed just one way, instead of two way. Also, on this end where they put the sidewalks and cross bridge, there are handrails everywhere except the cross bridge. That is a deep drop off.

Mr. Clarke – That was a Town project, and I don't know that we maintain sidewalks.

Supervisor Boothe – Please check into it and see if it is part of your maintenance because it is a liability waiting to happen. Thank you for what you do.

Supervisor Kuchenbuch – There is still brush down from the big storm on Thomas Farm Road and Rt. 615. I have been out on Bethlehem Church Road and it is in pretty rough shape. I

saw two orange flags on White Oak Grove Road, and I think they are getting ready to start work there. Red Oak Grove Road, Huckleberry Ridge Road, Moore Road – all of these roads have gotten a lot of rain and are falling apart. Please see about patching the holes. Red Oak Grove Road is about to turn into gravel. Is the information about the bridge in Pilot on your website? Please get anything you have on it to me.

Mr. Clarke – They will be replacing the pipe with concrete box culverts.

Supervisor Kuchenbuch – Will they raise it up any?

Mr. Clarke – It can only be raised so much because it still has to tie into Pilot Road.

Supervisor Yoder – There is still a tree down on Rt. 221 in the State right of way. I have had a request for dust control on Bear Ridge Road. I had someone ask if you do speed studies on dirt roads.

Mr. Clarke – By statute it is 35 mph. The reasoning is that is the absolute maximum speed. When you post you are saying it is safe to drive this speed and you can't really say that on a gravel road. You are responsible for driving to the conditions of the road, but under no circumstances are you to go over 35 mph.

Supervisor Yoder – In this case the person was okay with people driving 35 mph, but felt that people were driving more than that. I told them that sounded more like an enforcement issue than a posting issue and that she might want to call the Sheriff's Office. Buffalo Mountain Road at the Parkway has a lot of potholes. Could you or someone from your office meet with some of the people on Ponderosa Road? I have had multiple calls from people who would like to talk to someone in the evening.

Mr. Clarke – Yes, this is our chance to meet with them. That would be good. We still need to get right of way for that project.

Chairman Turman – Thank you for going to Shelor Road and marking the right of way. Tuggles Gap Road to Fairview Church Road has not been machined. There are a lot of limbs hanging down hitting vehicles. Tuggles Gap Road needs to be machined. On Springdale Road off of Rt. 8, a tree on the State right of way fell onto a fence. The property owner cleaned it up and fixed the fence, but there is another one leaning over at a 45-degree angle and he would like help with that one. Also, when you are over here, I would like to get with you and take you to talk to someone about his road. Are there any plans to replace the bridge just as you go into Willis where it used to be Goad's Garage?

Mr. Clarke – It is on an inspection schedule. Almost every old bridge we have is planned to be replaced, it is just a matter of when.

Chairman Turman – There have been two fatal wrecks there. I noticed the other day that they were repairing the side on the bridge for about the third time. When trucks meet cars there is not much room on that bridge. I would like to see it straightened out a little bit.

Mr. Clarke – I will see what it says on the schedule about that bridge.

Chairman Turman – The rest of my district is asking. “Where are the graders?” I tell them you are covered up. Rt. 221 from Camp Five Road to town is breaking up. I appreciate all you are doing.

Agenda Item 6.e. – Mr. David Rose, Davenport & Company.

Mr. Rose provided an update on the results of the request for proposals process on the 2021 new money financing and the next steps in the process:

- 1) Two weeks from today we will ask you to formally approve one particular approach for the new financing;
- 2) Floyd County identified an additional \$8 million of new money capital needs to be funded by the end of fiscal year (FY) 2021;
- 3) In February, Davenport estimated that Floyd County would need 3¢ to 5.5¢ in real estate tax equivalent, with 1¢ of that being for the high school project and 2¢ to 4.5¢ being for the \$8 million financing;
- 4) Interest rates are historically low, but they have moved up slightly;
- 5) Six banks responded to the request for proposals;
- 6) The results of the competitive requests for proposals means Floyd County will be able to complete the capital program with a total of 3¢ equivalent in FY22;
- 7) \$175,000 of recurring meals tax revenue is built into the County’s annual budget to pay debt service beginning in FY22;
- 8) The Capital Reserve Fund, consisting of \$197,000 already in that fund and transferring \$400,000 from Meals Tax Fund to Capital Reserve Fund, will be strategically used to pay debt service during years in which debt payments exceed revenues;
- 9) Options include:
  - a. Financing all \$8 million with Truist;
  - b. Combination of Sterling with \$6.3 million and Skyline with \$1.3 million;
  - c. Financing all \$8 million with Skyline;
- 10) Davenport considered the following when analyzing the funding options:
  - a. Does the proposal, or combination of proposals, provide funding for the full \$8 million of capital projects – *All options provided full funding;*
  - b. Are the interest rates fixed for the full term of the loans – *All options have fixed interest rates for the full term of the loans;*
  - c. What is the total debt service cost of this proposal over the life of the loans – *Truist had the lowest cost, the combination is about \$63,000 higher, Skyline is \$365,000 more expensive;*
  - d. What are the collateral requirements for the proposals – *Truist only requires the County Administration Building, Sterling requires that and also the Recreation/Extension Building and the Radio System;*
  - e. What are the prepayment provisions of the loans – *Truist allows pieces of the loan to be prepaid with minimal penalty, the combination with Sterling is much less flexible, Skyline is very flexible;*

- f. Are there any other considerations that affect the favorability of the proposals – *Truist has the loan for Floyd credit approved, Sterling expects the loan to be credit approved in two weeks, and Skyline is credit approved in combination, but the full loan would take 48 hours to be credit approved and the line of credit would have to be reduced from \$3.5 million to \$2 million;*
- 11) We are actually proposing a fourth option which is a combination of Truist and Skyline rather than Sterling and Skyline.
- 12) The Board of Supervisors does not need to take action on a financing option until April 27, but we ask that you reach out to the Economic Development Authority and try to get them to take action in late April or early May;
- 13) This financing must close on or before May 21, 2021.

Supervisor Yoder – What is the advantage of going with the Truist/Skyline combination instead of just going with Truist for the whole financing?

Mr. Rose – It allows you to keep some money locally because the cost is almost identical. It will not financially hurt you. Skyline is not looking for any collateral and will let you prepay at any time. This option gives you the most flexibility.

Vice Chairman Boothe – So this building would be the only collateral for the Truist/Skyline combination?

Mr. Rose – That is correct.

Vice Chairman Boothe – Skyline has already approved the credit for the \$1.3 million loan and Truist has already approved the \$6.3 million?

Mr. Rose – That is correct. We will talk to the banks some more and update those numbers. We will send the information to your staff in a week or so.

Agenda Item 6.f. – Dr. John Wheeler, Superintendent, Floyd County Public Schools.

Dr. Wheeler – I am here to give you an update on some items. Everything is going well with the building and the HVAC (heating, ventilation, and air conditioning). We are doing it meticulously and we will make sure it is done right. We meet every two weeks, especially with the HVAC. On the HVAC everything that was cut out to make the price feasible, we are putting back. We will have air conditioning by the end of this month or the first of May. We are going right behind it with the air handler units and circulation; we are putting brand new ones in. This will create much more efficiency and airflow. We now have the funds which are earmarked for this. The CARES (Coronavirus, Relief, & Economic Security Act) money and ESSERF (Elementary and Secondary School Emergency Relief Fund) are very, very specific. I spend a lot of time collaborating with Virginia Department of Education Finance. The HVAC is doing well. We are getting complete controls on everyone in every school. We are doing bipolar ionization in every building in every window unit and with the new HVAC. We are still on track with the Collaboration and Career Development Center (CCDC). If it would dry out, we would like to get the parking lot done. They are laying block this week. We are good on the building

part on the new section. Inspectors are making sure the compaction is right. We would love to have the parking lot done and at least graveled and lined off for the start of school next year and football season. It is well within budget at this point. We continually work with our teachers and look at equipment. We want to get everything we possibly can new, especially the welding equipment, building trades and automotive.

The objective with the budget we gave you was to give back debt every time it comes off and not ask for any more. The other objective is to continually be competitive with providing the best resources we can for kids, which is teachers and pay them as well as we can, plus increasing the experiences. We are well on our way with that. Part of that is the supplemental income from new grants we received. Staff has done a great job with that – getting Amazon Future Engineers and the Advanced Computing grants. We are able to do it. We are using some of CARES to fund this. If not, we would be coming back and saying we need more. We are utilizing the CARES money to bridge it for a few years. A budget is not year to year in a school system, because we have no way to generate our own income. I think we are good, and we will get all the resources we need. We will continue to be efficient. As people retire, you absorb what you can, and you give back what you can. We are getting about \$400,000 less than last year, but we are doing okay. I think it is a big win to get the budget where it is right now and take all the debt service coming off and giving it back to you and still provide everything we need. Once we see the next criteria with ESSERF-3 we will make sure every building – between roofs, air circulation, and every other part – comes out basically as brand-new buildings, up-to-date and ready to go for a long, long time. I appreciate you being a part of that. The biggest part was the HVAC system.

Vice Chairman Boothe – Did I understand you to say that all units in all buildings will be ionized?

Dr. Wheeler – Every one of them from the School Board to the Bus Garage to the Technology House, whether it is a window unit or a whole HVAC system. We got the new gym done before volleyball and we have the high school cafeteria finished already, because those are two of the largest gathering spaces.

Dr. Millsaps – Dr. Wheeler has been very helpful on some operational issues. They let us use the fields for the Recreation program and made changes to make that work. For the facilities that need them, he is letting us bring in port-a-johns so people will at least have something. I also went by and talked to your building trades instructor about some ideas related to green boxes. Everybody has been willing to help out. It is very much appreciated.

Dr. Wheeler – We are looking at the old gym and getting air conditioning in there and taking down the room divider. We will do that in house with funding. Those basketball goals need to be changed to an electronic winch system, because it is extremely dangerous the way it is. Once that is done you will have a fantastic basketball venue right here in Floyd. Recreation will be able to have some great tournaments because you will have 5 gyms with air conditioning and seating. There will be a lot of possibilities there. I will keep you up to date on that.

Agenda Item 7.i. – Waiver of tire disposal fees at Floyd County Transfer Station on Earth Day, April 22, 2021.

Agenda Item 7.j. – Update on Solid Waste issues.

Dr. Millsaps – These two agenda items should really be together. As you know, there has been an enormous number of things going on around the issues of Solid Waste, including green boxes and other things. Let me start with the Department of Environmental Quality (DEQ) issues and a potential Environmental Protection Agency (EPA) issue.

DEQ violation

As you know we received a warning letter from the DEQ. Essentially the only concern on this was that the report was received late from our consultant. This morning I received the full letter of explanation from our consultant to DEQ. He had emailed me earlier that people got behind in their office and they were dealing with staff issues such as people working from home during COVID. They have prepared the response for us to send forward. It is something we need to pay attention to, but it is not a great concern. It is something I wanted to make you aware of.

The Board discussed why the consultants did not provide the required report in a timely manner.

Dr. Millsaps – In their response to DEQ it states, “Draper Aden exceeded the notification timeframe due to a combination of a change in laboratory LIMS (Laboratory Information Management System) and corresponding report submittal process and staff remotely working from home. The final installment of the laboratory report was not recognized as being received until August 25 at which time we immediately notified VDEQ. Draper Aden Associates addressed these issues previously with the laboratory. We have also taken steps to improve our internal processes.”

Supervisor Coleman – I would be interested in knowing what steps they have taken to improve their internal processes.

Dr. Millsaps – Okay. I will put that on my conversation with them.

Vice Chairman Boothe – Please let them know we are very concerned with missing deadlines.

Supervisor Yoder – We are trying to get off DEQ’s radar.

Dr. Millsaps – I received a second letter from DEQ dated April 2. It says this is not a final review, but it does have interim measures, work plan technical review. It asks to schedule a conference call to talk through issues and potential modifications. That is on the agenda for me, Draper Aden and Sherrell Thompson. I will follow up with you after we have that conversation. We have received notification that a concern raised with the EPA about a green box site. It is a

site that Mr. Bolt has looked at and feels that there is not an issue there. But because a concern was raised, the agency will look into it. With all that said we need to look at solutions for several things related to solid waste. Once we get through the budget process, I plan to move to the whole issue of solid waste. We have been talking a lot about green boxes and the trash side, but I will try to look at it holistically and all the issues related to public facilities. As an interim step I wanted to talk to you about making a couple of changes in the short term and then look at a larger plan going forward.

#### Transfer Station hours

On Tuesdays and Thursdays, the Transfer Station will be open to the public from 11:00 a.m. until 7:00 p.m. That is the same number of hours as it was open before, but it shifts the hours from opening at 8:00 a.m. until 11:00 a.m. Technically our public hours for purposes of DEQ have been 8:00 a.m. until 4:00 p.m. five days a week and 8:00 a.m. to 11:30 a.m. on Saturdays. DEQ will allow us to temporarily move Tuesday and Thursday hours to 11:00 a.m. to 7:00 p.m., beginning on Earth Day, which is Thursday, April 22. On Saturday we will probably open at 11:00 a.m. and stay open 3.5 hours or open at 12:00 p.m. and stay open 3.5 hours. Mr. Thompson is supposed to get back to me today with his final decision or I will decide at the end of the day and let DEQ know. I have contacted Finn Graphics Inc. in hopes that you would allow us to make this change. They said they can make a temporary sign before Earth Day. We will be able to move forward with that.

Vice Chairman Boothe – That won't affect our drivers. It only affects the hours we are open to the public.

Dr. Millsaps – We have told DEQ that we have a green box problem and one of the reasons people list as a challenge is because the transfer station is not open during hours when folks who are working can get there. We are making this change temporarily starting April 22 and going through May or a little bit longer. Once we settle on some final hours, we will have to go through a full permitting process. But right now, they are allowing us to pilot some things before we set it in stone in a permit.

Vice Chairman Boothe – We want to make sure that Mr. Durbin and Draper Aden monitor this permit and make sure that the hours are the only thing that DEQ changes.

Dr. Millsaps – It wouldn't be a change in permit now. It is just an email between me and DEQ. DEQ has alluded that there are other things that we will have to address because it has not been reviewed or updated in quite some time. That was going to happen anyway.

The Board gave consensus to change the transfer station hours on a temporary basis as Dr. Millsaps determines.

Supervisor Yoder – I want to say publicly, “Thank you for listening to us. I feel like you have taken what we have said, and what the public has said to us, taken it to heart, and tried to come up with a solution.”



Supervisor Kuchenbuch – I think your plan to move forward with a complete, organic, overall look at Solid Waste is really important too. That is also something this Board has talked about for at least four years.

Waiver of tire disposal fees

Dr. Millsaps – We are talking about reducing or eliminating the fees at the transfer station on Thursday, April 22 which is Earth Day, and Friday and Saturday to encourage people to bring in their tires. The concern is that some people might show up with a lot of tires. Do we want to cap how many tires people can bring in?

Vice Chairman Boothe – I recommend that before April 21 we haul off the 999 tires we have in stock. That was our limit at one time.

Chairman Turman – I believe we need some sort of limit on the tires.

Supervisor Coleman – I think the limit should be per household and we need to decide on the type of tires.

The Board discussed who would be eligible to bring in tires under the program and the maximum number of tires that would be accepted at no charge.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved beginning Earth Day, April 22 – April 24, 2021 the transfer station will accept up to twelve (12) car/small truck tires over the course of the three days per household and the fee for the first 12 tires will be waived.

- Supervisor Coleman – yes
- Supervisor Kuchenbuch – yes
- Supervisor Yoder – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Green Box Issues

Dr. Millsaps – We have a lot of recyclables that are ending up in the green boxes. As part of looking at our overall situation, we will look at improving people's aim.

Chairman Turman – I wish they would re-think sliding the boxes so close together. People have been calling complaining.

Supervisor Kuchenbuch – When I went by the boxes on Goose Creek Road, the doors were all closed. We appreciate people closing the doors on the boxes.

Chairman Turman – One problem I see with closing the doors is that some people are not strong enough to open and close the doors. Those people set their bags outside the box and bears

come though and tear the bags open and drag the trash off and the wind blows the garbage around.

Vice Chairman Boothe – I received a suggestion that as you go into the transfer station, that we reconfigure the gates so that they are moved down the hill so the dumpsters can be moved off of the road and down into the facility. Right now, people are parking in the road to use the boxes. This is something to look into to see if it is feasible.

Supervisor Coleman – Until the new Indian Valley green box site gets completed, if Solid Waste can work it into their schedule, please increase the frequency of pick up at other locations in the area. The new site appears to be progressing well. There have been a few warranted concerns raised recently that I have been working on with Dr. Millsaps and Mr. Bolt. A couple of meetings ago we discussed fencing. I think that would help some situations if we could move that to the forefront and let the Board decide on how much we could invest in these sites.

Supervisor Kuchenbuch – Is that on this particular site or on all of our sites?

Supervisor Coleman – I think we need to look at it, in particular on this one. The property owner is willing to plant some screening material in the fall of the year. Mr. Bolt suggested that we would need to work with him and maybe add some additional material for erosion to go over the top and cover all our bases. I apologize to the Board. These are some things I thought had been taken care of, but it is no reflection on anybody here. You have been fully supportive of this and I appreciate that. I just don't want there to be any surprises moving forward.

Board members discussed the need to improve the appearance of the green box sites.

Supervisor Coleman – I wonder if the County could pilot a program to facilitate cleaning up around the green box sites. I am sure there are people in this community who would love to do that. I am not sure about the liability, but it is a thought.

Vice Chairman Boothe – We have Green and Clean Day each spring, but maybe we could have a quarterly cleaning concentrating around the green boxes. Perhaps there are groups that would do it on a weekly basis.

Supervisor Coleman – I was thinking about a monthly County sponsored, spearheaded group of volunteers. We give them everything they need. People are looking for an opportunity of where they can serve.

Chairman Turman – Instead of “Adopt a Highway,” we could have “Adopt a Green Box.”

Dr. Millsaps – I appreciate all those ideas and suggestions. We will follow up on those, especially once we finish the budget process. I will be able to move on to that and take a holistic approach.

Agenda Item 8. – Other items of business.

Dr. Millsaps – Since we had our last meeting, I have been reaching out to a lot of our partner people and meeting with them about a variety of things. I have met with most of the people who work for the County already. I have been up to talk to Becky Latucca at The Floyd Center for the Arts. Pat Sharkey, Floyd County Tourism Director, and I met on Friday. I have met with John McEnhill, Executive Director of the Floyd Chamber of Commerce. I went up to Blacksburg and met with the folks at Onward NRV. My first stop was meeting with Kevin Byrd at the New River Valley Regional Commission. I have also been over to talk to Karim Khan, the Regional Director of the Montgomery-Floyd Regional Library. You asked me to work on outreach so that is my most recent list.

Yesterday Pat Sharkey was meeting with Onward staff about their internship program. If you are interning in the New River Valley, your company can sign you up for this program through Onward. This year the program will be capped at 40 people and they will come to Floyd for a day. She was meeting with folks and working on the agenda for that day. The hope behind the program is to encourage the participants to stay in the region once they graduate.

Supervisor Kuchenbuch – Our clinics for the vaccinations have been going very well. The Floyd Event Center has re-opened and is booking. We have been asked that for our clinic on April 24 if we could pay a small fee to them. They have allowed us to do 8 clinics for free. We utilized their facilities and all we have done is pay for cleaning. They have asked us for a fee of \$200 and I would ask the Board if that could come out of CARES funds.

Vice Chairman Boothe – This location has been the ideal place to hold the clinics. They have been generous. I don't have a problem with paying them.

Supervisor Kuchenbuch – They are giving us quite a discount on the price to use the facilities.

Vice Chairman Boothe – Will we need it more than once?

Ms. Ryan – We might. We have it free up through April 17, but after that date the Event Center is being made available to the public. We would like to rent the facility as many weeks as we can until it is no longer needed to hold the vaccination clinics.

Supervisor Kuchenbuch – The only problem is they are quickly filling dates with rentals.

Supervisor Yoder – After school lets out why don't we hold it at the schools?

Ms. Ryan – We talked to Dr. Wheeler and he is more than willing for us to use the schools. Floyd Elementary does not have good traffic flow. The high school is not a good location because of all the construction going on. He did say we could use Willis Elementary. The principal said we could use the new gym. Ms. Portia Thompson, owner of The Pharm House who is the lead on the vaccine clinics, prefers to use the Event Center because of its central location and our familiarity with using it. We could make Willis Elementary work, but it

isn't our first choice. Another possibility that has been discussed is having a drive-through clinic at Chantilly Farm. We are exploring that possibility right now.

The Board discussed how many Floyd County residents have already been vaccinated and how much longer the vaccination clinics might be needed.

Supervisor Coleman – If possible, I think it would be good to have at least one clinic at Willis Elementary and at least one at Check Elementary for the elderly or people who have transportation difficulties.

Ms. Ryan – If it is Moderna that is being given, then each site will have to be used twice.

After discussing the feasibility of other locations, the Board agreed by consensus to use the CARES fund to pay \$200 for the Floyd Event Center each time the center is used after April 17 and through the end of May 2021.

Dr. Millsaps – I want to update you on Tourism because there is a meeting this week. As you heard a moment ago, I met individually with the Chamber of Commerce Director, the Town Manager, and Ms. Sharkey. Yesterday the four of us met together at the Town Hall. At the very end Mr. Mike Patton came in as well. I have given the recommendations the four of us came up with to the Board members who are on the Tourism Development Council (TDC). It is not a new memorandum of understanding. We wanted to give you the staff's thoughts on what should be included for consideration by you as a funding body and the Town as a funding body and the Chamber as a partner, and also the TDC. We are focused pretty much just on the position of Director of Tourism and how it is funded and not the overall direction tourism should go in the area.

Dr. Millsaps provided the recommendations of the working group:

- The fiscal agent would be responsible for personnel, benefits, workers compensation, unemployment, and including such items as phone, credit card, website, etc.;

Supervisor Yoder – So the existing website would be controlled by the fiscal agent?

Dr. Millsaps – At least the payment for it. This was all about the money and staff and not the content.

Supervisor Yoder – But technically they would own that website, I assume. There probably needs to be someone technically who owns that website and not the TDC. The buck needs to stop somewhere as to who controls the content on the website.

Dr. Millsaps – That is next. This is just the money part. We are saying these are the things that the group who is designated to be the fiscal agent have responsibility to do.

- The fiscal agent will be either the Town or the County; we felt that choice should be with the elected officials and would be determined by the Board of Supervisors and the Town Council;

- The director would report administrative items such as leave forms, hours, etc. to the fiscal agent;
- Continuation of the Visitor Center memorandum of understanding and Tourism Office be co-located together;
- Fiscal agent would be responsible to provide space for historic document storage, marketing and promotional materials, and outdoor booth displays;
- An Operations Board made up of the County Administrator, Town Manager, and Chamber of Commerce Executive Director will serve as the day-to-day guidance for the Tourism Director position;

Supervisor Yoder – Is the Chamber of Commerce putting any money into this or they getting a say without financing?

Dr. Millsaps – At least for the current upcoming year the recommendation is that the funding streams remain the same as they are now with the actual hard dollars coming from the Town and the County, but there is also a recognition of how much in-kind contribution comes in from the business community. Part of what is expected of the Tourism Director is to keep track of how much that is. That would be shown in the overall budget to recognize the in-kind funding.

Vice Chairman Boothe – Would the in-kind include using the office in their facility?

Dr. Millsaps – There is rent paid to the Chamber, \$200 a month for the office. In-kind includes free publicity in some of the magazines when a Chamber member provides a free place for the writer to stay. Individual businesses put up items that make the free advertising possible.

Supervisor Kuchenbuch – Would the Chamber still be part of the Tourism Development Council?

Dr. Millsaps – Yes. We are thinking about a four-level structure, which would be the Tourism Director, the Operations Board of three plus the Tourism Director would meet every month, the Tourism Development Council would still exist. It would be composed of 2 County members, 2 Town members, and 1 person representing the Chamber of Commerce. The TDC would drive the strategic direction overall, such as how are we doing against a strategic plan.

Supervisor Kuchenbuch – That makes sense for where the Chamber should be.

Dr. Millsaps – Part of the Chamber still being on the Operations Board is recognizing that they run the Visitor Center and so they might have input into the day-to-day because they see what the foot traffic is to the Visitor Center.

- The TDC would continue to be a Board made up of Town Council, Board of Supervisors, and a Chamber Board member that provides strategic direction to tourism by meeting at least quarterly;
- The work of the Tourism Director is driven by a multi-year strategic plan that is aligned with the Virginia of Tourism Drive Tourism program for FY22; that allows

us to use Virginia Tourism to facilitate strategic planning at their cost, not our cost and allows us to hook into several other programs;

- TDC will create bylaws for themselves regarding meeting dates, meeting requirements and terms of service for members;
- Tourism would be funded the same as the current agreement for FY22 and any future increases would be determined as a result of the strategic planning efforts and future revenues;
- A Tourism Advisory Board is an important asset to the TDC and to the Tourism Director. This advisory board should remain and continue to be made up of leaders in tourism sector businesses.

Dr. Millsaps – Those are the talking points in the packet from the four staff folks.

Vice Chairman Boothe – I would like a copy of this before we leave today, especially if we are being asked to decide today. Would you please explain the part about future funding?

Dr. Millsaps – These are talking points to get some feedback and then we go from there. In terms of what we are trying to suggest is that this year financially it be structured as it has always been. The follow up thought to that is as part of the strategic planning effort there is a possibility – which would include you, the Town, and various folks in the community that are tied to tourism – if something comes out of that which suggests something different or something more, that is how the process would start. Right now, we are not suggesting any changes to the financial structure.

Supervisor Yoder – For us, the revenue comes out of our lodging tax, so if our revenues go up, we could potentially contribute more...

Vice Chairman Boothe – ...and if revenues go down, we could potentially contribute less. Will the Tourism Development Council look at this and make some kind of recommendation?

Supervisor Kuchenbuch – I said before that I believe the County Administrator and Town Manager need to meet and talk things over and then it needed to be brought back to this Board and the Town Council and we should all meet.

Supervisor Yoder – The TDC does not get to decide.

Vice Chairman Boothe – I don't have a problem getting their opinion or their input. But as close as we are getting to the deadline, this is something the Town and County ought to work on.

Supervisor Yoder – I appreciate the hard work you have done on this. I think whoever the fiscal agent is needs to have a certain amount of control because the director is their employee.

Vice Chairman Boothe – Is there any recommendation between you and Kayla (Cox, Town Manager)?

Dr. Millsaps – Ms. Cox and my opinion is that we both feel like we could house it with ourselves. I feel like we could do it. Ms. Cox feels like they could do it. We both feel like we would be okay with the other one doing it. That is why we say that should be a decision from the elected officials. We have had very positive conversations, candidly with all four of us together. It has worked really well. We all came to these very similar thoughts. Part of the reason that we are continuing to hold onto a TDC structure of some type is to make sure there is a forum that includes both the Town, and the County. I know some folks have other opinions about the third part.

Supervisor Yoder – I think the Chamber should be involved in that.

Dr. Millsaps – There are always people who will be concerned that it is owned too much by one or the other. But if operations include Ms. Cox and I and Mr. McEnhill, as the current holders of the seats, and then if the TDC, which includes elected officials from both the Town and the County, sets the direction that keeps it as a way for everybody to have an opportunity to make sure everybody is fully served.

Supervisor Kuchenbuch – I want to say this here in open session, because I want this to be understood. As an Operations Board is being looked at in Montgomery County it is a great example...Floyd County is not Montgomery County. I know everybody knows that, but I just wanted to say that. I also think the County Administrator and Town Manager are the people on the Operations Board. The Chamber of Commerce Executive Director, in terms of having day-to-day guidance of the Tourism Director position; the Chamber belongs on the TDC, but I don't see the Executive Director of the Chamber of Commerce in the day-to-day with the County Administrator and Town Manager. [Those entities] are where the money is coming from and just because we want to have the Visitor Center and the office co-located, I don't see where we make that jump.

Supervisor Coleman – I look at it from an employee standpoint. This was prefaced about the care of the position. It is best when you just have one boss. The local governing bodies need to be in the number one position.

Supervisor Yoder – If the position is housed with the Town, then the Town Manager needs to have the authority to discipline because it is their employee. The same thing if the position is housed in the County.

Vice Chairman Boothe – Let's say it is an employee of the Town that puts you as an advisor with the Town Manager. If it were on the County side, then you would be taking the lead, but you would also seek advice from the Town Manager to keep both bodies represented. It would ultimately fall under your heading if it were the County and if it were the Town, it would be them.

Dr. Millsaps – I think we feel like if it were the three of us or the two of us, we get along well enough that we can do this. There is a history before me of Ms. Martin, Ms. Turman, Ms. Cox, and Ms. Sharkey that made up a group that set some overall direction. We feel like we can do that if it were sitting at the Town, as an example. I think part of the reason we suggested having the two or three people is that way we can ensure and feel responsible to you. If it is at the Town, I can say to you that I know the County is being represented and I have bought off on the direction. We feel like we can do that adequately amongst ourselves. I hear what you are saying Mr. Coleman about having one boss and I think for “When can I take a vacation” and “What do I do in this circumstance” kind of thing it really does end up with whatever place, but we are very conscious of the fact that we wanted both elected bodies to feel like they knew their agenda was going to get moved forward.

Supervisor Kuchenbuch – By having that governing board, by having the Town and County on that governing board?

Dr. Millsaps – That is your staff recommendation. That is what we put together. Ms. Cox will share this list when the Town Council meets on Thursday and it is in the TDC packet. Mr. McEnhill was going to talk to his Board too.

Supervisor Yoder – I think it needs to be two people, instead of three, and I would rather it be one.

By consensus, the Board stated they would be happy to take the role of fiscal agent if that is what the Town wants.

#### Agenda Item 9. – Board Member Time.

Supervisor Yoder – I have heartburn on one thing in the financing and that is 15 years on a fire truck. I wish that were 10 years. Fifteen years is a long time on rolling stock.

Supervisor Kuchenbuch – I have one question and maybe you can email, when it says prepayment with a 1% penalty with Truist, does that mean the totality of the loan at any time? If we have a windfall, can we pay off the fire truck without a penalty?

Ms. Ryan – It states you would be paying the whole of the 15-year loan items and not just a portion of them. Three loans can be prepaid separately; with the radio system, recreation building, and fire truck making up one group; the shell building being a separate group; and the garbage truck/ambulance being a third group. If you want to pay off the fire truck it is with the radio and recreation building.

Supervisor Yoder – We are trying to buy fire trucks every 3 or 4 years, if we do 15 years for all the fire trucks, at some point we are going to tap out and not be able to pay for them. In the past we have done 8 to 10 years for fire trucks.

Vice Chairman Boothe – Can we ask if they will do financing for 10 years on the fire truck instead of 15? Just see if they can and what the impact would be.



Dr. Millsaps – Okay.

Agenda Item 8. – Other items of business continued.

On a motion made by Supervisor Boothe, seconded by Supervisor Yoder, and unanimously carried, it was resolved to go into closed session for timbering under § 2.2-3711 A.6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Boothe, and unanimously carried, it was resolved to come out of closed session.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and unanimously carried, it was resolved to adopt the following certification resolution:

**CERTIFICATION RESOLUTION  
CLOSED MEETING**

WHEREAS, this Board convened in a closed meeting on this date pursuant to an affirmative recorded vote on the motion to close the meeting to discuss timbering under § 2.2-3711 A.6., of the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes

Supervisor Boothe – yes  
Supervisor Turman – yes

This certification resolution was adopted.

Agenda Item 10. – Adjournment.

On a motion of Supervisor Yoder, seconded by Supervisor Boothe, and carried, it was resolved to adjourn the meeting to April 27, 2021 at 6:30 p.m.

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Dr. Linda S. Millsaps, County Administrator

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Joe D. Turman, Chairman, Board of Supervisors

**BOARD OF SUPERVISORS  
REGULAR MEETING  
APRIL 27, 2021**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, April 27, 2021 at 6:30 p.m. in the Board Room of the County Administration Building thereof;

PRESENT: Joe D. Turman, Chairman; Jerry W. Boothe, Vice Chairman; W. Justin Coleman, Linda DeVito Kuchenbuch, and Lauren D. Yoder, Board Members; Linda S. Millsaps, County Administrator; Cynthia Ryan, Assistant County Administrator; and Tabitha Hodge, Operations Manager to livestream and film the meeting.

Agenda Item 1. – Meeting Called to Order.

Chairman Turman called the meeting to order at 6:30 p.m.

Agenda Item 2. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 3. – Pledge of Allegiance.

Vice Chairman Boothe led in the Pledge of Allegiance.

Agenda Item 4. – Approval of Disbursements.

Supervisor Kuchenbuch – I request that copies of the bi-weekly meetings regarding HVAC (heating, ventilation, and air conditioning) and CCDC (Collaboration and Career Development Center) be made part of our Board packets.

Vice Chairman Boothe – I would also add that if there are surprises that will cost more money, before they proceed the County should get a “head’s up” so we have an opportunity to discuss it before they jump in and move forward. Price overruns are a little bit out of control, if you have bought any building supplies you know that. Stuff out of the blue we should be notified long before it is authorized.

Chairman Turman – We shouldn’t pay for anything we haven’t been notified of ahead of time.

Vice Chairman Boothe – Now I am worried about the \$14 million project. We need to do some investigating on it. When we set a price here that we agreed to, I expect that price to cover everything. We bid that project out, then we re-bid it and we went back and forth. A lot of future projects we agreed to after that, I based my agreement to those projects on a fixed number that I knew we were responsible for. When the number gets here it needs to be the total number.

Supervisor Yoder – On the \$14 million project I wonder if it would be helpful to get one-page updates on construction costs as they go forward.

Vice Chairman Boothe – I don't expect an extra fence price on the high school because I brought up that we needed a wall or something around those tanks. A fence around that should not be an extra cost. That was talked about at the very first.

Supervisor Kuchenbuch – I appreciate the updates we are getting but just telling me that we are on track doesn't really give us information. I am responsible to the Little River District constituents as to how this money is being spent. I take that job seriously. I want to make sure that the money being spent is being spent correctly and within budget.

Chairman Turman – We get a report every month that shows what we budgeted and what has been spent and the percentage that is left. I can't see why they can't do that for the project.

On a motion of Supervisor Yoder, seconded by Supervisor Coleman, and unanimously carried, it was resolved to approve the disbursements and additional bills as presented.

- Supervisor Coleman – yes
- Supervisor Yoder – yes
- Supervisor Kuchenbuch – yes
- Supervisor Boothe – yes
- Supervisor Turman – yes

Agenda Item 5. – Mr. David Rose, Davenport & Company.

Mr. Rose provided an update on the \$8 million financing with the hopes of getting consensus from the Board:

- 1) After my discussion, you provided an excellent thought to look at the fire truck at 10 years as well as 15 years;
- 2) Based on further discussions with your staff, we recommend that you use that 10-year approach;
- 3) We recommend that this financing be done in two parts, with the larger part being with Truist because they are considerably lower in cost even after Skyline dropped their basis points a second time, and the smaller part being with Skyline;
- 4) The results of the competitive requests for proposals means Floyd County will be able to complete the capital program with a total of 3¢ equivalent in FY22;
- 5) \$175,000 of recurring meals tax revenue is built into the County's annual budget to pay debt service beginning in FY22;
- 6) The Capital Reserve Fund, consisting of \$197,000 already in that fund and transferring \$400,000 (for a 15-year loan on the fire truck) to \$489,000 (for a 10-year loan on the fire truck) from Meals Tax Fund to Capital Reserve Fund, which will be strategically used to pay debt service during years in which debt payments exceed revenues;
- 7) We need to go through the Floyd County Economic Development Authority (EDA) and we will meet with them on Monday, May 10 with a Zoom meeting;
- 8) The next night you, the Board of Supervisors, need to take action;
- 9) This financing must close on or before May 21, 2021;

- 10) This is the most cost effective way to borrow the \$8 million, because even after Skyline dropped their rates a second time it would still cost the County an extra \$282,000 if they financed the whole thing;
- 11) Prepayments are also very favorable if the American Rescue Plan (ARP) money comes in and can be used for some of these projects;
- 12) Skyline required additional collateral of the radio system and new Recreation Building as well as the County Administration Building that Truist required;
- 13) Skyline would also have to reduce the amount of the line of credit you have with them to meet the amount they can take under one credit.

Supervisor Yoder – Why is the interest less on the radio system than the shell building?

Mr. Rose – The shell building is done on a taxable basis and that is a federal requirement. This is a pretty complex combination of cash flows. We are really doing five distinct financings and rolling them up into one. But the beauty of that is that it can also be broken apart in terms of prepayment. You will know what your payments are for each of those loans.

Supervisor Kuchenbuch – If we hear back that we can use infrastructure money to pay the fire truck, garbage truck and ambulance and it reduces the amount we have to finance, but then we would have to pay a penalty.

Vice Chairman Boothe – Not with Skyline.

Mr. Rose – There is talk that the first round of the ARP money will be released around May 11. If it does, until you close, that is the way it works. We might have to amend things. That would be a good problem. We just wouldn't close on the part not needed.

Vice Chairman Boothe – I like that the Skyline portion has no penalty.

Mr. Rose – We did that a couple of years ago for you when rates came down and you had loans with no prepayment penalty.

Supervisor Kuchenbuch – Did you ask Truist about not having a prepayment penalty?

Mr. Rose – We did, but they were very specific about the 1% and it is what it is. That is their approach.

Supervisor Yoder – Is there any concern with the new federal money that it is only for new projects and if we get too far into this, these won't qualify?

Mr. Rose – We don't know the answer. Everyone is waiting on clarification on this new federal money.

Supervisor Yoder – Do we have \$489,000 in Meals Tax Fund?

Ms. Ryan – We have \$493,000 right now.

Supervisor Yoder – I really like the idea of going 10 years on the fire truck. I don't want to go too long before we get the next fire truck. Thank you for working on that.

Mr. Rose – It was your idea. We listened to your feedback and with the cash flows it works. We just need a consensus from you right now. I will ask Dr. Millsaps to call the EDA and let them know this Board is hopefully unanimous in planning to approve this on May 11. If something happens between now and then and we have to provisionally approve this because of moving parts, we will deal with that. That will be a good problem because it means we have more dollars and less debt service. I would hope that Truist and Skyline will stick to the interest rate if this does get pushed back, because since we did the request, rates have stayed the same if not gotten a little better in the general marketplace. It could go the opposite way very quickly so that is a little bit of a risk.

Vice Chairman Boothe – Once an agreement is reached and we close, those interest rates are fixed?

Mr. Rose – Yes, sir. They are all fixed rates.

Supervisor Yoder – With these being five different loans essentially, if we wanted to hold off on one of the items, how would that work?

Mr. Rose – I don't think that would work very well. With the two with Truist you risk blowing up the transaction.

Supervisor Yoder – Are the two Truist loans tied together?

Mr. Rose – To go into it they are tied together. They are only asking for one piece of collateral for the two, the County Administration Building. They are not asking for the shell building or radio system.

Chairman Turman – What is the Board's thoughts?

Vice Chairman Boothe – I think the split is the way to go.

Supervisor Yoder – I think there are some unknowns on one of the projects and that still has me a little bit hesitant about going in too deep. I guess my fear is that without knowing the exact costs, there is a prepayment penalty if we decide to pay that back.

Supervisor Kuchenbuch – What happens if we have to push out the May 21 deadline?

Mr. Rose – Both banks could walk away and start all over possibly or they may honor it or change their rates or terms or conditions. They both know what is public so you may not be in the same negotiating position. For example, even after Skyline's second bringing the rates down, they were still 35 basis points higher so Truist might do it again but not be as aggressive. It is your call.

Supervisor Yoder – I am 100% behind the Skyline project. We have the trucks ordered.

Mr. Rose – Short of getting some American Relief Program monies, which would be great, we don't want to go into your fund balance. We showed that as option months ago and both your auditors and ourselves were not excited about that.

Vice Chairman Boothe – I don't know that we are in a position to borrow any more money than what we are proposing.

Ms. Ryan – We also talked about when the ARP money comes in the possibility of swapping out the radio system and putting in more on the shell building or even the Phase 2 road construction.

Vice Chairman Boothe – If the radio system comes in less than we anticipate and the shell building comes in at more, over the total loan can we move money around between projects?

Mr. Rose – Most likely that would take a Board action. The banks don't care.

Supervisor Yoder – Before we try to reach consensus it might be helpful to have a closed session.

Agenda Item 6. – 7:00 p.m. Public Comment Period.

Chairman Turman read the handicapped statement, explained the rules for speaking, and called for the Public Comment Period.

Hearing no comments from the audience, the Chairman declared the Public Comment Period closed.

Agenda Item 7. – Public Hearing on the Six Year Secondary Road Plan with Virginia Department of Transportation (VDOT).

Mr. David Clarke, Resident Engineer with VDOT – The draft plan is last year's plan, minus the roads we have completed, keeping the same priority as the Board passed last year. The Board will pass a new resolution in the next few months with perhaps a new priority list. We finished Mill Run Road and Quesenberry Road last year so the new priority list as it stands now is:

- 1) Ponderosa Road – we are working on the right of way on that; one thing that delayed this one is that we changed the project limits, and it intersects the Parkway 3 times, and we added the section between Stuart Road and the Parkway
- 2) Roger Road – the right of way on that one was easier, and we are clearing trees
- 3) Firehouse Road – this is about 1 mile long and we are already doing some preliminary engineering and environmental work
- 4) Starbuck Road
- 5) Hope Road
- 6) Silverleaf Road
- 7) Reedsville Road

- 8) Intersection of Merifield Road and Deer Valley Road
- 9) Bear Ridge Road

The construction budget this year is projected to be about \$525,000. This is less than in years past. The bulk of that will go to the balance needed for Firehouse Road. With the rest we will start funding Starbuck Road. Roger Road is funded and with Ponderosa Road it will depend on how much of it we end up doing.

**Ms. Danielle Ogle, Indian Valley District** – Please give the Board this map and pictures of the road (also included in the packet were signatures of 16 people requesting that Hylton Road be paved). My husband and I are from Carroll County and just recently moved back to the Indian Valley district on Hylton Road (Rt. 757) to be close to family. The road is probably 1 or 2 miles. It is paved for about ¼ mile across from the Indian Valley Post Office and it loops from Indian Valley Post Office Road back to Indian Valley Post Office Road. It is rough driving conditions. One end is very narrow and if you meet someone you have to back down. When you are not a great driver like me, sometimes that is hard. You have to back down and find enough space to pull over and let someone by. The last road traffic report showed an average of about 90 cars per day in 2016. I think in part because Greasy Creek is accessible on that road, so I think a lot of people come down through there to fish. There are a lot of people who have moved in. We recently bought an 88-acre farm on that road. Luckily with the pandemic my husband's job turned remote so he is able to work from home. I am a nurse practitioner here in Town for Carilion. We were lucky to be able to come home after 20 years to be close to family. But it is rough conditions. A lot of potholes are patched by farmers with hay. The creek washes the road out a lot of times and it washes debris and stuff into the road. Some portions of the road, when it rains a lot, are almost impassable. In the year we have lived there they have put gravel once, but only in patches here and there. Some spots were so thick that it will wreck you and some spots were just mud that you sink into. I wanted to see if it could be put on the Six Year Road Plan because there is a lot of traffic through there. The road is pretty harsh on vehicles and things of that nature. The pictures show the road after the rain this past weekend which was a little rain. You can imagine what it is like after a big rain like we've had. There were a couple of days when you could barely get through in some parts because of trees and water standing in the road.

Supervisor Kuchenbuch – I would surmise that some of the people who live on this adjacent road also use the road?

Ms. Ogle – Yes, and there are quite a few houses on that road.

Supervisor Yoder – Are there sections that are used more than others?

Ms. Ogle – I think the section that comes out by the Indian Valley Post Office is the section everybody prefers. That is the longest for me because we live at the other end, but I prefer to go in and out that way because the road is wider. There is one section where neighbors have put up an orange cone in a sharp curve above our land. The creek runs under it and you have to get to the far right when you go around that sharp curve. If you don't you will fall off the road into the creek. One of the neighbors just stuck an orange cone up there to warn people to not drive off there. Yes, I would say the section near Indian Valley Post Office is used the



most because people know the other end is so narrow, they are afraid to go down through there. The section people use the most is paved and then it turns gravel.

Supervisor Coleman – If memory serves me right there was a rescue call and they had difficulty getting there.

Ms. Ogle – Yes, that is the farm we bought. The owner had a stroke and fell into the creek and the ambulance got stuck on a logging road.

**Mr. Jack Wall, Little River District** – I own Floyd EcoVillage and live there. It is off of Franklin Pike. It also borders on Sams Road, which is a little dead-end road. I have been working a lot recently with Jeff Wade who lives on Sams Road. Together we have about 250 acres in there. We are doing some farming. But we are doing some business development. We have three houses that are being built at the EcoVillage that would have access off of Sams Road entrance. We are also building a couple of houses bordering on Franklin Pike that is to the east of Sams Road. With the land we have there, Jeff and I are working on a business development to build a biochar production facility on some land Jeff Wade owns. I just want to mention that there is a fair amount of activity and development on that little road, and it will be increasing over time. It is a gravel road. It is not very long. But with the access coming in, there are a number of houses on the road, but there will be even more activity with increasing activities at Floyd EcoVillage and across the road on the other side on some property Jeff owns and some property I own. We are interested in putting it on the radar for the County to see about considering paving that road. We think that the use coming in there...there are trucks coming in there as it is, but there will be more of that occurring in years to come.

Supervisor Kuchenbuch – What was the facility you said you were doing with Jeff Wade?

Mr. Wall – We are working on a biochar production facility. It is a little bit of a new thing. It has to do with taking waste wood products and baking it at 1200 degrees for 8 hours in an anaerobic chamber with no oxygen. It turns the wood product into a pure carbon product that is ionized. It is a highly porous material. It attracts minerals and it absorbs water. It can be used as a soil amendment. Studies have been done about it being of a benefit to concrete and asphalt. It strengthens some of these products and reduces the weight. There are a number of different benefits. We are working with a business owner out in Colorado who has really good technology on that. There are a lot of waste wood products that you can convert...even treated lumber and railroad ties. The process cleans the product and makes a pure carbon product which has no residue in it. We are actually working with it to add to animal feed. It is a little bit like activated charcoal in that it is an inert carbon product and with the negative ion it attracts minerals. As a soil amendment it attracts nutrients into it. It balances out the minerals and nutrients needed for the root structure of plants and it also absorbs water and retains water. It is part of regenerative agriculture.

Supervisor Kuchenbuch – You are going to build a factory is what you are saying?

Mr. Wall – We are looking at putting in some kilns in there that will take these leftover 2' x 4' wood products or dead wood from forests and turn it into biochar. Thank you.

**Mr. Rob Campbell, Burks Fork District** – The roads I am going to talk about also go into Indian Valley District. We are already on the list so thank you. We just want to keep our faces here, so we aren't forgotten about. There is a safety concern that I have mentioned before. At the new bridge that was put in on Reedsville Road there is a drop off there. I guess it was always there before, but they cleared some trees up and stuff that made it more obvious. It is in a straight section coming down a hill. Ninety percent of the time it will never be a problem. But my thought is with icy roads, out of a curve and down a hill, if you lose traction on ice on either side you could go over that bridge and it would probably be a 10' to 12' drop into a creek. It is something we have noticed that might need to be mentioned. A lot of our concerns that we mentioned here years ago were safety oriented. It is better to do roads in sections VDOT told us. We want to prioritize that section as it gets closer. I think the Rt. Number you are using is on the other side and we think more people travel out Rt. 728. But we have time. Thank you very much.

Mr. Clarke – I spoke to a couple of people out there and I may have used an old number. The County did get an email about Quesenberry Road. We did most of it, but a mile section is about all we can do as a project without taking our crews away and making it last too long. The request from Larrene Bowman is for the 1/3 mile left.

**Ms. Larrene Bowman, Burks Fork District email** – I live at 836 Quesenberry Road NW in Willis. I'm 81 years old and I have lived on this road my entire life. I have been vocal about needed improvements on Quesenberry Rd. (formerly SR 760) for the past 40 years. Earlier this year a one-mile section on the east end of the road was finally hard surfaced. This is now a very nice and safe section of road and I'm very thankful for the improvements. Unfortunately, this improvement falls short of the needs. In the next 1/3 of a mile from where the new surface ends, there are 5 occupied homes and one of the worst sections of the road. There is a steep, sharp and dangerous curve adjacent to an area where the road is washed out virtually every time we have significant rainfall. Furthermore, the ditches are no longer cleaned or maintained on a regular basis resulting in high volumes of water running across the road in several areas washing out the gravel and creating deep ruts. Large amounts of gravel and mud are often washed into my yard and adjacent pasture fields during storms. After one recent storm there was so much "ponding" due to lack of drainage in one section of the road that it was virtually impassable. The entire length of Quesenberry Rd NW is less than 3 miles. Please consider further improvements and hard surfacing the remainder of the road. It is desperately needed. Thank you for your consideration.

**Mr. John Hale, Little River District** – I live on Silverleaf Road and we are on this Six Year Plan. Right now, we are number 6. I guess I want to let you know that the squeaky wheel, may get some grease. I want to keep our faces known to everybody. We don't want to give up on this. This is the third time we've been on this Six Year Road Plan supposedly and we haven't gotten there yet. This time we are hoping that we can stay there. We just want to keep our road and name, 820 on Silverleaf Road known. Thank you.

Mr. Clarke – I always advise people to show up to hearings just to make sure because Boards change sometimes. The Board does not need to take any action tonight. Right now, it is difficult to review these roads as a group, but you can review them yourselves. I would like to

get a resolution before the end of June. I would ask that. There will probably be room to add a project this year.

Supervisor Coleman – When we finalize and adopt this list, can the routine road maintenance be done in such a way that moves these roads in that direction? If maintenance issues are being kept up and some safety issues are being addressed, then we are moving forward when the time comes for those roads to be hard surfaced; there are some things that have already been done. I'm sure you think about that.

Mr. Clarke – We do. There are reasons these roads are on the construction list – because of problem sections. Construction will help out with some of these projects, but in the meantime maintenance can as well. I share this list with our crews, so they know what the public comes and talks about and these are the things people want to see. It probably won't make the construction project any easier, but it points out that because it is on the plan, it highlights that it is an issue. If you have a road that doesn't have a whole lot of drainage issues, potholes or whatever, people won't come to a public hearing and ask for their road to be on there. When they come it is because there are issues.

Chairman Turman – Is there an “End State Maintenance” sign right past Sams Road?

Mr. Clarke – Yes, that section is not a VDOT road right now. That would have to be a rural addition. It was added a long, long time ago, but it was only added up to a certain point.

Vice Chairman Boothe – So it would be from that point back to Barberry Road?

Mr. Clarke – Yes, but that would make it a through road.

Mr. Wall – Right now we are just asking about the State maintained part where the traffic is. I measured and it is about ½ mile at the most.

Supervisor Kuchenbuch – Your community accesses Sams Road from Franklin Pike?

Mr. Wall – That's right. And with the extra activity at the EcoVillage, quite a bit of that is coming in from Sams Road. We have access coming in off of EcoVillage trail. There is a back way in from Sams Road.

Supervisor Kuchenbuch – You also have Yarrow Way. That is what comes in from Sams Road.

Supervisor Yoder – Just so I understand this correctly...Sams Road is not a through road; there are two State maintained sections, one from Barberry Road and one...

Mr. Clarke – No, it is maintained for a certain section from Franklin Pike and then there is an “End State Maintenance.” The end from Barberry Road is not State maintained. It is very, very rough.

Mr. Wall – I proposed at one point making it into a bicycle path, but I don't know. There would be quite a bit of work to do and I'm not sure that the people who live down there would want it.

Mr. Clarke – We looked into it and people were not interested.

Mr. Wall – The part we are talking about is basically from Franklin Pike down to the entrance at Yarrow Way to the EcoVillage. Jeff Wade who has the other entrance of Sams Road is about 2/3 of the way down and he has built a road into his farmland. That is where all the activity is. It is a very short piece of road but quite a bit of traffic now and we anticipate in a year that it will be increasing.

Mr. Clarke – I will review the part of Sams Road that is in the system and see if there are any maintenance issues or anything that would qualify for Six Year Plan funding.

Supervisor Yoder – I have gotten a lot of calls about Lick Ridge Road. People were not able to come tonight, but I want to go on record that people called. It was on the Six Year Road Plan two years ago I think, a one-mile section from the pavement to an old church. It was taken off last year. The squeaky wheel. No one showed up.

Mr. Clarke – There might be a traffic count issue on that one as well.

Supervisor Kuchenbuch – This needs to be added to the record from a constituent in my district. “To whom it may concern: My name is Blake Loftus and I have been a Floyd County resident since 2013.” She apologizes for not being able to attend this evening in person. “Road maintenance has always been a very pressing issue for my family in Floyd County. I live on a dirt road that cannot or has not been properly maintained by VDOT despite my County representatives doing their utmost to ensure the safety of their constituents. There are several residents on my road and many others in Floyd County who are quite elderly or have critical health conditions who cannot be accessed in order to provide potential lifesaving services during extreme weather conditions. I have read the Six Year Secondary Construction Plan being presented this evening for the specific nine roads being addressed. I personally know and have regularly driven these roads which has also contributed to my family's personal expenses of replacing for thousands of dollars new struts and other vehicular maintenance in our 4-wheel drive vehicle numerous times. The roads currently being proposed for surface treatment are critical to provide safe emergency medical access, educational transport, and individual commuting to provide income for my Floyd neighbors and our community as a whole. I ask you to please approve this plan for the benefit of all Floyd County residents. Thank you very much for your time and effort to continue our lovely community.” Ms. Loftus lives on Countyline Church Road.

Mr. Clarke – I will be contacting the County Administrator and we will be discussing a resolution and a final priority list. Thank you very much.

Supervisor Kuchenbuch – Mr. Clarke a whole bunch of our signs have been laid down all through the County. They all couldn't have been run over. Somebody took a lot of time taking these down.

Mr. Clarke – These aren't down because of weather, because this is the time of the year when we straighten up signs?

Supervisor Kuchenbuch – No.

Agenda Item 8. – Public Hearing on Floyd County's Proposed FY22 annual budget and tax levies.

Dr. Millsaps read the call for the Public Hearing on Floyd County's Proposed FY22 annual budget and tax levies.

Chairman Turman opened the Public Hearing.

Dr. Millsaps – We have not received any written comments or telephone calls from citizens and no one from the public is here to speak.

Hearing no comments from the audience, the Chairman declared the Public Hearing closed.

Agenda Item 9. – Public Hearing on Road Abandonment Request, discontinued portion of Rose Hill Road NW.

Dr. Millsaps read the call for the Public Hearing on Road Abandonment Request, discontinued portion of Rose Hill Road NW.

Chairman Turman opened the Public Hearing.

Ms. Ryan – Ms. Barbara Spangler of 533 Laurel Branch Road wrote with her comment: "As an adjacent landowner to the proposed abandonment altogether as a portion of Rose Hill Drive Road, beginning at the end of state maintenance and ending at the intersection with Laurel Branch Road, I urge the Board of Supervisors to vote for the approval. I know that Layne and Frosty Poff has been keeping this section of Rose Hill Road cleared of snow in the winter and buying and spreading gravel at no cost to the county for several years. I feel that this section of the road should no longer be open to the general public. This would help keep the maintenance at a lower cost. Thank you for your consideration of this request."

Hearing no further comments from the audience, the Chairman declared the Public Hearing closed.

Vice Chairman Boothe – May we add Mr. Darrell Hylton to the agenda for five minutes? I have a few questions for him or just ask him now. However, you want to do this.

Chairman Turman – Go ahead, that would be fine.

Vice Chairman Boothe – It hasn't been recorded yet. But agreements between all parties have been agreed to but haven't been recorded yet?

Mr. Hylton – Yes, everybody who joins the part we want abandoned has agreed, the Miles, Bob and Bonnie Dillard, Layne and Frosty Poff. We do have a new neighbor out there where a house was sold. I have spoken to them and they are in agreement. They told me to bring whatever they need to sign, and they will be glad to do it.

Vice Chairman Boothe – My other question is about that turnaround on the driveway on the State maintained end. Has that all been worked out for it to continue to be a turnaround there?

Mr. Hylton – You mean for the school bus?

Vice Chairman Boothe – Yes, but it will have to be a turnaround period because any vehicle who comes in there will have to turn around. You told me you were going to contact those people and talk to them.

Mr. Hylton – The school bus turns around about halfway up on the paved part. It has done that for years. I talked to Will Dotson (VDOT) about that. It has been like that forever. There is no way to turn a school bus around there at the end. The Miles are the ones who own that. They are in their 90s. I have been talking to them and their grandson. They are going to turn it over to their grandson. It will never be a problem for him. He comes up on weekends and he is not planning to block it or anything like that.

Vice Chairman Boothe – When VDOT pushes snow they are still turning around. I just want to assure that we still have a turnaround there.

Mr. Hylton – If they want to push all the way down to my house, I will let them and make sure they can turn around.

Vice Chairman Boothe – I just want to make sure we have some type of turnaround. Do you think they would be willing to put that in writing?

Mr. Hylton – I am sure. It may take me a little time, Justin doesn't live right next to his grandparents, but I am sure that won't be an issue whatsoever.

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and unanimously carried it was moved to abandon the discontinued portion of Rose Hill Road NW (Rt. 722), beginning at the end of state maintenance and ending at the intersection with Laurel Branch Road, contingent on the new neighbors signing the agreement and getting an agreement in writing from the owners of the turnaround property (Document File Number 1176).

Supervisor Coleman – yes  
Supervisor Yoder – yes  
Supervisor Kuchenbuch – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 10. – Constitutional Officers' Report.

There were no Constitutional Officers present.

Agenda Item 11.a. – Request for exception to Floyd County Ordinance 62-31 (C)(2) Vision sight distance requirements; setback for 2419 Kyle Weeks Road to be built a minimum of 20’ from the edge of the roadway.

Dr. Millsaps – You will recall that this is something you took up at your last meeting and you wanted to table the item until this meeting so you could visit the site and consider it.

Chairman Turman – I went by there twice and to be honest with you, I have a problem with it. When you come up off of Union School Road up the top of the hill, at the hillcrest the house is not that far off of the road. Even if they move it back 20’ that would have it in their living room. They have a lot of stakes and I had to guess where they were going to put it.

Supervisor Yoder – I worry about if we start doing it for just any reason, why even have a rule.

Chairman Turman – If I looked at it right, 20’ would put it right up against the house.

Other Supervisors also expressed their concern with the request, and by consensus agreed that no action would be taken on the request.

Agenda Item 11.b. – Appointment of Dr. Linda Millsaps to Onward New River Valley to fill the vacant Public Official position set to expire on June 30, 2021 and to continue that appointment from July 1, 2021 to June 30, 2023.

On a motion of Supervisor Yoder, seconded by Supervisor Boothe, and unanimously carried, it was resolved to appoint Dr. Linda Millsaps to Onward New River Valley to fill the vacant Public Official position set to expire on June 30, 2021 and to continue that appointment from July 1, 2021 to June 30, 2023.

Supervisor Coleman – yes  
Supervisor Yoder – yes  
Supervisor Kuchenbuch – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 11.c. – Appointment to Onward New River Valley to fill the vacant Industrial/Economic Development Authority position from July 1, 2021 to June 30, 2023.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Boothe, and unanimously carried, it was resolved to appoint Ms. Marty Holliday to Onward New River Valley to fill the Industrial/Economic Development Authority position from July 1, 2021 to June 30, 2023.

Supervisor Coleman – yes  
Supervisor Yoder – yes  
Supervisor Kuchenbuch – yes

Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 11.d. – Proclamation recognizing May 2-8, 2021 as Resilience Week.

Dr. Millsaps – Resilience in this proclamation refers to adverse child experiences.

Supervisor Kuchenbuch – Where did this proclamation come from?

Ms. Ryan – Mr. Michael Wade at New River Community Services.

On a motion of Supervisor Yoder, seconded by Supervisor Boothe, and unanimously carried it was determined to proclaim May 2-8, 2021 as Resilience Week in Floyd County.

Supervisor Coleman – yes  
Supervisor Yoder – yes  
Supervisor Kuchenbuch – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 12. – Additional items to discuss.

Dr. Millsaps – I think there are a couple of things you would like to know. I don't have final numbers yet, but I believe for our three days of free tire drop off, we think we received around 600 tires. Everyone came in with their 12 as you suggested. Many of them came in after the traditional business hours. However, on average so far, we have had only 6 or 7 come in on the shifted hours each day for a total of 18 to 20. It turns out that our recycling rate is higher than expected, thanks primarily to our business community. While the State might adjust it, the number we are going to send to the State is 22.6%. The requirement was 15%. Because we were concerned, I reached out to Dr. Wheeler. I am going to send him a flyer which I will make this week and they are going to do training at schools with the kids and have flyers to take home that will hopefully be recycled at some point. The Solid Waste inspector will be here tomorrow. Thanks to the Sheriff's Office we had deputies out doing green box awareness or ticketing. I think it is getting noticed and I appreciate his support on that.

On the Tourism memorandum of understanding, the quick update on that is that Kayla Cox and I have a draft that we are working through now. We are very much in agreement on what we are suggesting. We will get that to you at the early to mid-May meeting for both organizations. We will get it to the people on the Tourism Development Council first who are your representatives.

We have approved festivals under the ordinance, several at Chantilly Farm and Replenish.

For Parks and Recreation, we have made an offer to someone who will be our employee to do concessions. We are moving forward with that. They have to do their Safe Serve Training online. Jacob Agee has also prepared a draft three-year plan of his direction for Parks and



Recreation. We are meeting every other week or so to work on that direction. He is working very hard this summer and putting in a lot of hours.

EDA is very, very busy. You will be hearing about that.

Supervisor Kuchenbuch – Thank you for the concise update.

Chairman Turman – When you talk to Dr. Wheeler, thank him for making the schools available to us for tonight.

Dr. Millsaps – I have already sent him a text that while we had visitors, we were able to handle it and thanked him. I will thank him again on your behalf.

Supervisor Coleman – Thank you for the update. Thank you for your help on the Solid Waste issues in my district as well as the change in hours. I have heard a lot of feedback. The numbers may not be there. It may take some time. It will be used as needed as people go to and from work, but it has been an overwhelming positive response.

Supervisor Kuchenbuch – Same with my constituents. Everyone was thrilled with the new hours.

Vice Chairman Boothe – Word is getting around. Give my thanks to the Solid Waste staff. They have put forth an effort and we appreciate it.

Dr. Millsaps – I will pass that along. As you know many of them have elderly parents that they also care for. It is not as easy to shift as you might think, but they are changing their schedules to take care of it.

On a motion made by Supervisor Boothe, seconded by Supervisor Yoder, and unanimously carried, it was resolved to go into closed session for manufacturing and support services under § 2.2-3711 A.3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body., § 2.2-3711 A.5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community., and § 2.2-3711 A.29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

Supervisor Coleman – yes

Supervisor Kuchenbuch – yes

Supervisor Yoder – yes

Supervisor Boothe – yes

Supervisor Turman – yes

On a motion made by Supervisor Coleman, seconded by Supervisor Yoder, and unanimously carried, it was resolved to come out of closed session.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

On a motion of Supervisor Boothe, seconded by Supervisor Yoder, and unanimously carried, it was resolved to adopt the following certification resolution:

**CERTIFICATION RESOLUTION  
CLOSED MEETING**

WHEREAS, this Board convened in a closed meeting on this date pursuant to an affirmative recorded vote on the motion to close the meeting to discuss manufacturing and support services under § 2.2-3711 A.3., § 2.2-3711 A.5., and § 2.2-3711 A.29., of the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Yoder – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes

This certification resolution was adopted.

By consensus, the Board selected the Truist/Skyline combination as the financing option with a 10-year debt service on the fire truck.

The Board discussed various real estate tax levies and personal property tax levies. By consensus, the Board directed that the Commissioner of Revenue be given tax rates of 63¢ per 100 for real estate and \$3.20 per \$100 for personal property.

Agenda Item 13. – Board Member Time.

No Board members brought up any items to discuss.

Agenda Item 14. – Adjournment.

On a motion of Supervisor Yoder, seconded by Supervisor Boothe, and carried, it was resolved to adjourn the meeting to May 11, 2021 at 8:30 a.m.

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Dr. Linda Millsaps, County Administrator

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Joe D. Turman, Chairman, Board of Supervisors

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
011010	***BOARD OF SUPERVISORS***				
3600	ADVERTISING				
	34630	TRI-CITIES/SOUTHWEST VIRGI	2160892 APR21	ADVERTISING	562.00
				ACCOUNT TOTAL	562.00 *
5810	DUES AND SUBSCRIPTIONS				
	28400	MUNICODE	00357213	ONLINE CODE HOSTING	950.00
				ACCOUNT TOTAL	950.00 *
5899	MISCELLANEOUS				
	21200	STATE CORPORATION COMMISSI	2021 0618122-6	0618122-6 ANNUAL FEE	25.00
				ACCOUNT TOTAL	25.00 *
				MAJOR TOTAL	1,537.00 **
012010	***COUNTY ADMINISTRATOR***				
3310	RADIO AND AUTO REPAIRS				
	43307	FLOYD CHRYSLER DODGE JEEP	6054987	INSPECTION4	20.00
				ACCOUNT TOTAL	20.00 *
5210	POSTAGE				
	28940	U.S. POSTAL SERVICE	05302021	PO BOX 218 RENEWAL	122.00
	42919	RESERVE ACCOUNT	25306697 MAY21	METER REFILL	500.00
				ACCOUNT TOTAL	622.00 *
5810	DUES				
	19540	QUILL LLC	16449100	ANNUAL RENEWAL	69.99
				ACCOUNT TOTAL	69.99 *
6001	OFFICE SUPPLIES				
	2050	NEW RIVER OFFICE SUPPLY	013535-00	TONER CARTRIDGES	134.98
	43177	AMAZON CAPITAL SERVICES	13FL-XKLH-4Y9D	OFFICE SUPPLIES	15.98
				ACCOUNT TOTAL	150.96 *
6008	GAS AND OIL				
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	19.30
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	31.06
				ACCOUNT TOTAL	50.36 *
8109	VEHICLE SUV, 4-WHEEL DRIV				
	43002	ENTERPRISE FM TRUST	FBN4176336	LEASE CHARGES	777.69
	43002	ENTERPRISE FM TRUST	FBN4208689	LEASE CHARGES	777.69
				ACCOUNT TOTAL	1,555.38 *
				MAJOR TOTAL	2,468.69 **
012090	***COMM OF THE REVENUE***				
3120	FIELD ASSESSOR				
	100	WINGATE APPRAISAL SERVICE	04302021	CONCISE/CAMA UPDATE	531.25
				ACCOUNT TOTAL	531.25 *
5899	LAND USE				
	16730	TAYLOR OFFICE SUPPLY, INC	123164	OFFICE SUPPLIES	47.48
				ACCOUNT TOTAL	47.48 *
6001	OFFICE SUPPLIES				
	16730	TAYLOR OFFICE SUPPLY, INC	123358	OFFICE SUPPLIES	19.44
				ACCOUNT TOTAL	19.44 *
				MAJOR TOTAL	598.17 **

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
012130	***TREASURER***				
5810	DUES				
	1860	TREASURERS' ASSOCIATION OF	FY22 DUES	MEMBERSHIP DUES	225.00
				ACCOUNT TOTAL	225.00 *
6001	OFFICE SUPPLIES				
	10	VIRGINIA OFFICE SUPPLY	42891	OFFICE SUPPLIES	105.62
	10	VIRGINIA OFFICE SUPPLY	42962	OFFICE SUPPLIES	178.97
	16730	TAYLOR OFFICE SUPPLY, INC	123359	INK CARTRIDGE	54.27
				ACCOUNT TOTAL	338.86 *
6010	DMV ADMINISTRATIVE FEE				
	17070	DEPARTMENT OF MOTOR VEHICL	202112000689	DMV STOPS	600.00
				ACCOUNT TOTAL	600.00 *
				MAJOR TOTAL	1,163.86 **
013010	***ELECTORAL BOARD AND OFFICERS***				
3500	PRINTING BALLOTS				
	42870	HART INTERCIVIC	083722	APACER/VDRIVE	924.00
	42870	HART INTERCIVIC	083869	BALLOTS	2,999.56
				ACCOUNT TOTAL	3,923.56 *
				MAJOR TOTAL	3,923.56 **
013020	***REGISTRAR***				
6001	OFFICE SUPPLIES				
	38920	VIRGINIA BUSINESS SYSTEMS	29172499	003-1180919-000	49.74
				ACCOUNT TOTAL	49.74 *
				MAJOR TOTAL	49.74 **
021020	***GENERAL DISTRICT COURT***				
3320	MAINTENANCE AND SERVICE C				
	42744	RICOH USA, INC	34937922	200-3147133-100	56.65
	42744	RICOH USA, INC	5061854651	CONTRACT 4363809	13.14
				ACCOUNT TOTAL	69.79 *
				MAJOR TOTAL	69.79 **
021060	***CLERK OF CIRCUIT COURT***				
5210	POSTAGE				
	30	PITNEY BOWES GLOBAL FINANC	3313402934	LEASING CHARGES	162.66
				ACCOUNT TOTAL	162.66 *
6001	OFFICE SUPPLIES				
	10	VIRGINIA OFFICE SUPPLY	42964	INK PAD	24.60
				ACCOUNT TOTAL	24.60 *
				MAJOR TOTAL	187.26 **
022010	***COMMONWEALTH'S ATTORNEY***				
3320	MAINTENANCE CONTRACTS				
	40730	KISER COMPUTER CONSULTING,	10044968	IT SERVICES	250.00
				ACCOUNT TOTAL	250.00 *

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
6001		OFFICE SUPPLIES			
	10	VIRGINIA OFFICE SUPPLY	43091	OFFICE SUPPLIES	198.70
				ACCOUNT TOTAL	198.70 *
				MAJOR TOTAL	448.70 **
031020	***SHERIFF***				
3310	REPAIRS & MAINTENANCE/AUT				
	42832	FLOYD AUTO PARTS	486698	ADHESIVE	4.28
	42841	B & S AUTOMOTIVE SERVICE	0040557	MT/BAL TIRES	561.20
	42841	B & S AUTOMOTIVE SERVICE	0040620	OIL CHANGE, SERVICE	50.17
	42841	B & S AUTOMOTIVE SERVICE	0040628	ENGINE LABOR	266.78
	42841	B & S AUTOMOTIVE SERVICE	0040759	OIL CHANGE	70.73
	42841	B & S AUTOMOTIVE SERVICE	0040797	OIL CHANGE, SERVICE	51.45
	42841	B & S AUTOMOTIVE SERVICE	0040827	BATTERY RENEW	299.11
	42841	B & S AUTOMOTIVE SERVICE	0040876	BALANCE TIRES/LABOR	861.47
	42841	B & S AUTOMOTIVE SERVICE	0040916	SERVICE/OIL CHANGE	36.45
	42909	BUFFALO MOUNTAIN AUTO REPA	13720	OIL CHANGE/SERVICE	70.08
				ACCOUNT TOTAL	2,271.72 *
3320	MAINTENANCE & SERVICE CON				
	37090	ELECTRONIC SYSTEMS, INC	IN1817998	CONTRACT CN18949-01	8.89
	42744	RICOH USA, INC	34937593	200-3163022-100	43.54
	42744	RICOH USA, INC	5061865260	CONTRACT 4460528	28.56
	42744	RICOH USA, INC	5061865428	CONTRACT 4457551	11.11
	42744	RICOH USA, INC	5061865535	CONTRACT 4457455	32.08
	42744	RICOH USA, INC	9028860905	200-3161981/2-100	84.45
	42832	FLOYD AUTO PARTS	488562	TIE	7.90
	42910	MIDLOTHIAN BUSINESS FORMS	2342	VA UNIFORM SUMMONS	377.24
				ACCOUNT TOTAL	593.77 *
5848	SCHOOL ENTRY TEAM				
	450	WILLS RIDGE SUPPLY INC.	527367	MISC HARDWARE	45.80
	21310	SOUTHERN POLICE EQUIPMENT	204584	MINI FLASHBANG	1,007.28
	43177	AMAZON CAPITAL SERVICES	1GPN-FYNP-MFC1	INSIGNIA PINS	67.18
				ACCOUNT TOTAL	1,120.26 *
8105	CAPITAL OUTLAY:MOTOR VEHI				
	43002	ENTERPRISE FM TRUST	FBN4176336	LEASE CHARGES	7,734.51
	43002	ENTERPRISE FM TRUST	FBN4176336	LEASE CHARGES	10,091.99-
	43002	ENTERPRISE FM TRUST	FBN4208689	LEASE CHARGES	5,895.02
	43177	AMAZON CAPITAL SERVICES	1GXY-LTG9-961G	TIE DOWNS	22.88
				ACCOUNT TOTAL	3,560.42 *
				MAJOR TOTAL	7,546.17 **
033010	***CORRECTIONS & DETENTIONS***				
3320	MAINTENANCE & SERVICE CON				
	28501	VERIZON WIRELESS	9878191115	WIRELESS	393.55
	43177	AMAZON CAPITAL SERVICES	1NCP-6QHK-J1KY	DELL INSPIRON	1,748.99
				ACCOUNT TOTAL	2,142.54 *
6022	EMPLOYEE PHYSICALS				
	42894	SAFETY & COMPLIANCE SERVIC	442593	PROFESSIONAL SERVICE	48.00
				ACCOUNT TOTAL	48.00 *
				MAJOR TOTAL	2,190.54 **

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
034010	***BUILDING INSPECTIONS***				
6001	OFFICE SUPPLIES				
	16730	TAYLOR OFFICE SUPPLY, INC	123361	CHAIRMAT	108.00
				ACCOUNT TOTAL	108.00 *
6008	GAS, OIL, ETC.				
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	53.18
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	85.59
				ACCOUNT TOTAL	138.77 *
6014	Web Service Monthly Fee				
	42672	INTERACTIVEGIS, INC.	6010	MTNCE, WEB HOSTING	400.00
				ACCOUNT TOTAL	400.00 *
				MAJOR TOTAL	646.77 **
035010	***ANIMAL CONTROL***				
3310	REPAIRS & MAINTEN-RADIO/A				
	42871	B & S AUTOMOTIVE SERVICE	0040961	SERVICE/REPAIRS	615.81
	42871	B & S AUTOMOTIVE SERVICE	0041097	OIL CHANGE/SERVICE	39.39
				ACCOUNT TOTAL	655.20 *
6002	FOOD FOR POUND				
	310	SLAUGHTERS SUPERMARKET	9365 TRX21	MISC ITEMS	49.04
				ACCOUNT TOTAL	49.04 *
6008	GAS, OIL, ETC.				
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	190.43
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	306.45
				ACCOUNT TOTAL	496.88 *
				MAJOR TOTAL	1,201.12 **
035050	***EMERGENCY SERV/HAZARDOUS MAT***				
5410	EQUIPMENT LEASE-UNITED CE				
	37040	US CELLULAR	20210426000311	TOWER REVENUE	267.89
				ACCOUNT TOTAL	267.89 *
5895	CORONAVIRUS EMERGENCY				
	17100	FINN & FENWICK CLEANING SE	1002	VACCINE SITE CLEAN	2,500.00
	17100	FINN & FENWICK CLEANING SE	998	COVID CLEANING	3,395.00
				ACCOUNT TOTAL	5,895.00 *
6008	GAS/OIL				
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	16.14
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	25.98
				ACCOUNT TOTAL	42.12 *
				MAJOR TOTAL	6,205.01 **
043020	***GENERAL PROPERTIES***				
1100	COMPENSATION OF CUSTODIAN				
	17100	FINN & FENWICK CLEANING SE	MAY21	CLEANING SERVICES	3,375.00
				ACCOUNT TOTAL	3,375.00 *

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
3310		REPAIRS			
	450	WILLS RIDGE SUPPLY INC.	K26688	TRIM	20.47
	450	WILLS RIDGE SUPPLY INC.	K26690	TRIM/CREDIT MEMO	1.11-
	450	WILLS RIDGE SUPPLY INC.	525793	HEATER	27.89
	450	WILLS RIDGE SUPPLY INC.	525930	HARDWARE	18.55
	450	WILLS RIDGE SUPPLY INC.	527439	KEY	4.50
	450	WILLS RIDGE SUPPLY INC.	527753	MISC HARDWARE	36.15
	450	WILLS RIDGE SUPPLY INC.	527756	DRILL PLUS	21.22
	450	WILLS RIDGE SUPPLY INC.	527757	FOAM PIPE INSULATION	9.87
	450	WILLS RIDGE SUPPLY INC.	527822	BREAKER	21.22
	450	WILLS RIDGE SUPPLY INC.	527882	FAUCET, UNION	12.38
	450	WILLS RIDGE SUPPLY INC.	528073	CONDUIT, COVER	4.14
	450	WILLS RIDGE SUPPLY INC.	528093	CONNECTOR, MISC	3.37
	1270	C.W. HARMAN & SON	359629	POWER STRIP	24.99
	10240	SECURITY LOCK & KEY INC.	0001080021	TRANSMITTER,HARDWARE	160.88
	15060	CMC SUPPLY, INC.	S3342001.001	SENSOR ASSEMBLY	242.41
	15060	CMC SUPPLY, INC.	S3349970.001	ELECTRONIC BOX	709.02
				ACCOUNT TOTAL	1,315.95 *
3320		MAINTENANCE & SERVICE CON			
	290	CINTAS	4082543235	UNIFORMS	6.23
	290	CINTAS	4083260881	UNIFORMS	6.23
	4590	FIRE SAFETY PRODUCTS INC	0000242184	ANNUAL INSP, MISC	382.75
	26410	VALLEY BOILER & MECHANICAL	27741	MAINTENANCE CONTRACT	166.65
				ACCOUNT TOTAL	561.86 *
3340		Computer Services Support			
	40700	APPLICATIONS SYSTEMS CONSU	10000542	CONTRACT SERVICES	2,250.00
	43110	TECH SQUARED INC	MSP-1169	SMART SWITCH	974.94
	43110	TECH SQUARED INC	MSP-1309	IT MONTHLY BILLING	14,672.00
				ACCOUNT TOTAL	17,896.94 *
5110		ELECTRICAL SERVICE			
	420	APPALACHIAN POWER	OXFORD LT APR21	OUTSIDE LIGHT OXFORD	9.05
	420	APPALACHIAN POWER	435711071 APR21	LIBRARY	969.65
	420	APPALACHIAN POWER	436454870 APR21	OXFORD STREET	734.97
	420	APPALACHIAN POWER	441195751 APR21	WORK CENTER BLDG	169.57
	420	APPALACHIAN POWER	441199264 APR21	COURTHOUSE	2,041.15
	420	APPALACHIAN POWER	533465608 APR21	CHRISTIANSBURG PIKE	13.00
	420	APPALACHIAN POWER	533487755 APR21	RADIO TRANS	35.77
	420	APPALACHIAN POWER	533496323 APR21	FOX STREET	122.90
				ACCOUNT TOTAL	4,096.06 *
5130		WATER AND SEWER			
	11890	FLOYD-FLOYD COUNTY PSA	1010 APR21	COURTHOUSE	110.28
	11890	FLOYD-FLOYD COUNTY PSA	1020 APR21	JAIL	88.42
	11890	FLOYD-FLOYD COUNTY PSA	1160 APR21	OXFORD STREET	175.86
	11890	FLOYD-FLOYD COUNTY PSA	1205 APR21	FOX STREET	80.89
	11890	FLOYD-FLOYD COUNTY PSA	3431 APR21	LIBRARY	80.89
				ACCOUNT TOTAL	536.34 *
5140		PEST CONTROL			
	42706	DODSON PEST CONTROL	1000295940	PEST CONTROL	120.00
				ACCOUNT TOTAL	120.00 *



MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
6005		JANITORIAL SUPPLIES			
	290	CINTAS	4083078718	MATS/SCRAPERS	191.49
				ACCOUNT TOTAL	191.49 *
6008		GAS AND OIL			
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	51.13
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	82.29
				ACCOUNT TOTAL	133.42 *
8136		CAPITAL OUTLAY: SCHOOLS C			
	30360	SCHNABEL ENGINEERING, LLC	2031523	FCNS CCDC PROJECT	8,875.95
	31330	THOMPSON & LITTON, INC	98540	PROJECT 14991	8,084.00
	43173	FRITH CONSTRUCTION COMPANY	04302021	FCNS PROJECT	372,021.71
				ACCOUNT TOTAL	388,981.66 *
9140		DEBT SERVICE: CARTER 2015			
	4230	CARTER BANK & TRUST	MAY21 #71 21741	LOAN PAYMENT	16,063.20
				ACCOUNT TOTAL	16,063.20 *
9150		DEBT SERVICE: SKYLINE 201			
	42888	SKYLINE NATIONAL BANK	MAY21 9964734	LOAN PAYMENT	11,435.75
				ACCOUNT TOTAL	11,435.75 *
				MAJOR TOTAL	444,707.67 **
071020	***FLOYD COUNTY RECREATION***				
3310		REPAIRS AND MAINTENANCE			
	450	WILLS RIDGE SUPPLY INC.	525791	FAUCET, THREAD	7.53
	450	WILLS RIDGE SUPPLY INC.	527750	BUNDLE STEAKS, TAPE	19.02
	1270	C.W. HARMAN & SON	360595	FIELD MAINTENANCE	21.97
				ACCOUNT TOTAL	48.52 *
3320		MAINTENANCE CONTRACTS			
	43098	U.S. BANK EQUIPMENT FINANC	441944964	500-0522818-000	31.80
				ACCOUNT TOTAL	31.80 *
3330		FIELD MAINTENANCE & IMPRO			
	43129	BULLDOG FIELD EQUIPMENT, L	876	INFIELD MIX	296.64
	43132	LANDSCAPE SUPPLY	0207546-IN	TURFACE, MARKING LI	923.73
				ACCOUNT TOTAL	1,220.37 *
6011		UNIFORMS/JERSEYS			
	42943	S&B TROPHIES	580455	JERSEY NUMBERS	281.25
	43041	JACOB AGEE	04272021	REIMBURSEMENT	22.10
	43041	JACOB AGEE	04272021	REIMBURSEMENT	32.88
				ACCOUNT TOTAL	336.23 *
				MAJOR TOTAL	1,636.92 **
073010	***LIBRARY ADMINISTRATION***				
5640		CONTRIBUTION			
	4200	MONTGOMERY-FLOYD REGIONAL	FY21 4TH QTR	4TH QTR ALLOCATION	22,793.50
				ACCOUNT TOTAL	22,793.50 *
				MAJOR TOTAL	22,793.50 **
081500	***ECONOMIC DEVELOPMENT AUTHORITY**				
6075		EDA-COMMERCE PARK-PRELIM			
	42868	HURT & PROFFITT, INC.	64773	PROJECT 20191249	993.75
				ACCOUNT TOTAL	993.75 *
				MAJOR TOTAL	993.75 **

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
082030	***SKYLINE SOIL & CONSERVATION***				
5640	PAYMENT TO SOIL DISTRICT				
	930	SKYLINE SOIL & WATER	FY21 3RD/4TH QT	3RD/4TH ALLOCATION	6,825.00
				ACCOUNT TOTAL	6,825.00 *
				MAJOR TOTAL	6,825.00 **
082050	***MISCELLANEOUS PROGRAMS***				
5644	WOMENS RESOURCE CENTER				
	4420	WOMEN'S RESOURCE CENTER	FY21 4TH QTR	4TH QTR ALLOCATION	1,274.50
				ACCOUNT TOTAL	1,274.50 *
6069	COUNTY/TOWN TOURISM AUTHO				
	42370	FLOYD COUNTY TOURISM DEVEL	39	4TH QTR ALLOCATION	7,500.00
				ACCOUNT TOTAL	7,500.00 *
6086	DRUG COURT COSTS				
	420	APPALACHIAN POWER	533505834 APR21	AKERS STREET	116.92
	420	APPALACHIAN POWER	533506389 APR21	LOCUST STREET	95.27
	11890	FLOYD-FLOYD COUNTY PSA	635 APR21	AKERS STREET	60.67
				ACCOUNT TOTAL	272.86 *
6089	ROANOKE REGIONAL SMALL BU				
	42974	ROANOKE REGIONAL SBDC	05042021	SBDC PARTNERSHIP	1,500.00
				ACCOUNT TOTAL	1,500.00 *
				MAJOR TOTAL	10,547.36 **
403230	***EMERGENCY MEDICAL SERVICES***				
3310	REPAIRS				
	42840	B & S AUTOMOTIVE SERVICE	0040727	SERVICE/REPAIR	776.75
	42840	B & S AUTOMOTIVE SERVICE	0040751	OIL CHANGE	124.98
	42840	B & S AUTOMOTIVE SERVICE	0040762	OIL CHANGE/DIESEL	104.30
	42840	B & S AUTOMOTIVE SERVICE	0040781	TIRE LABOR	334.83
	42840	B & S AUTOMOTIVE SERVICE	0040883	BRAKE LABOR	195.32
				ACCOUNT TOTAL	1,536.18 *
6004	MEDICAL AND LABORATORY SU				
	42837	ARC3 GASES	07922191	OXYGEN USP MEDICAL	63.46
	42837	ARC3 GASES	07933125	OXYGEN USP MEDICAL	81.56
	42837	ARC3 GASES	07955249	CYLINDER RENTAL	129.60
				ACCOUNT TOTAL	274.62 *
6011	UNIFORMS/WEARING APPAREL				
	42733	FIRE RESCUE & TACTICAL	4770	UNIFORMS	132.35
				ACCOUNT TOTAL	132.35 *
6015	DATA SERVICE CONNECTION P				
	40550	RAM SOFTWARE SYSTEMS, INC	14518	AIM SAAS	500.00
				ACCOUNT TOTAL	500.00 *
				MAJOR TOTAL	2,443.15 **
				FUND TOTAL	518,183.73

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FLOYD COUNTY  
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ACCT#	NUMBER	NAME	INV#	DESCRIPTION	AMOUNT

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MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
032030	**FIRE AND RESCUE FUND**				
3202	FIRE DEPARTMENT OPER. AND				
	420	APPALACHIAN POWER	532943194 APR21	LOCUST FIRE STATION	203.15
				ACCOUNT TOTAL	203.15 *
3206	STATE FIRE FUND PROGRAM				
	2310	FLOYD COUNTY VOLUNTEER	05032021	FIRE FUND REIMBURSE	9,251.13
				ACCOUNT TOTAL	9,251.13 *
				MAJOR TOTAL	9,454.28 **
				FUND TOTAL	9,454.28

MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
042030	**SOLID WASTE**				
3310	REPAIRS AND MAINTENANCE				
	1270	C.W. HARMAN & SON	360532	MISC ITEMS	40.97
	20940	HOSE HOUSE INC.	115871	MISC ITEMS	109.88
	20940	HOSE HOUSE INC.	115886	MISC ITEMS	106.62
	41130	BOONE TRACTOR & IMPLEMENT	WI30507	PARTS	60.66
	42678	LAWRENCE EQUIPMENT	RCE-1025651	STRUTS, MISC	150.62
	42805	EXCEL TRUCK GROUP	1334114R	ANTENNA, MISC	371.44
	42805	EXCEL TRUCK GROUP	1334116R	CIRCUIT BREAKER	64.47
	42805	EXCEL TRUCK GROUP	1334239R	FILTERS, MISC	108.60
	42805	EXCEL TRUCK GROUP	1334392R	WIPER WASHER	172.53
	42805	EXCEL TRUCK GROUP	1334393R	FILTER CART	76.64
	42805	EXCEL TRUCK GROUP	1334677R	BRAKE CHAMBER	338.86
	42805	EXCEL TRUCK GROUP	1337391R	MISC PARTS	190.15
	42831	FLOYD AUTO PARTS	484921	THREADLOCKER	6.99
	42831	FLOYD AUTO PARTS	484933	EXACTFIT-BEAM	31.98
	42831	FLOYD AUTO PARTS	485971	CREDIT MEMO	63.38-
	42831	FLOYD AUTO PARTS	487954	RELAY, GLASS CLEANER	36.47
	42831	FLOYD AUTO PARTS	488899	SYNTHETIC OIL	42.97
	42857	FITZGERALD PETERBILT	15427PF	PARTS	535.18
				ACCOUNT TOTAL	2,381.65 *
5415	DEBT SERVICE/INTEREST:FOR				
	42888	SKYLINE NATIONAL BANK	MAY21 9971979	LOAN PAYMENT	419.60
				ACCOUNT TOTAL	419.60 *
6001	OFFICE SUPPLIES				
	43177	AMAZON CAPITAL SERVICES	13FL-XKLH-4Y9D	OFFICE SUPPLIES	12.99
				ACCOUNT TOTAL	12.99 *
6008	GAS, OIL, ETC.				
	70	CLARK GAS AND OIL CO.	U9030102	DIESEL	929.89
	70	CLARK GAS AND OIL CO.	U9120965	DIESEL	988.68
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	96.14
	70	CLARK GAS AND OIL CO.	U9120983	DIESEL	992.21
	70	CLARK GAS AND OIL CO.	U9121018	DIESEL	1,001.50
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	154.70
	70	CLARK GAS AND OIL CO.	U9121037	DIESEL	974.22
				ACCOUNT TOTAL	5,137.34 *
6014	OTHER OPERATIONAL SUPPLIE				
	290	CINTAS	4082543235	UNIFORMS	122.82
	290	CINTAS	4083260881	UNIFORMS	129.22
	42991	WINZER	6863577	DOT BRASS AIR BRAKE	154.15
	43026	K & K SAFETY	1059	SAFETY GLASSES	61.58
				ACCOUNT TOTAL	467.77 *
6023	CONTRACT SERVICES/HAULING				
	36910	NEW RIVER RESOURCE AUTHORI	APR21	TRASH HAULING	35,735.84
				ACCOUNT TOTAL	35,735.84 *
				MAJOR TOTAL	44,155.19 **
042040	**RECYCLING**				
3310	REPAIRS & MAINTENANCE				
	1270	C.W. HARMAN & SON	359690	KEYS	8.00

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MAJOR#	VENDOR	VENDOR			
ACCT#	NUMBER	NAME	INV#	DESCRIPTION	AMOUNT
	42831	FLOYD AUTO PARTS	483211	BOXED CAPSULES	32.00
	42831	FLOYD AUTO PARTS	485959	MISC ITEMS	382.35
	42831	FLOYD AUTO PARTS	486383	AC BELT, MISC ITEMS	137.94
	42831	FLOYD AUTO PARTS	486834	MOTOR OIL	6.98
				ACCOUNT TOTAL	567.27 *
3400		TIRE DISPOSAL TRANSPORTAT			
	43038	FRONTLINE LOGISTICS INC	FCTS-6	OUTGOING TIRES	3,570.00
	43038	FRONTLINE LOGISTICS INC	FCTS-7	OUTBOUND TIRES	3,389.40
				ACCOUNT TOTAL	6,959.40 *
6008		GAS/PROPANE/KEROSENE			
	70	CLARK GAS AND OIL CO.	U9030102	DIESEL	70.48
	70	CLARK GAS AND OIL CO.	U9120965	DIESEL	74.93
	70	CLARK GAS AND OIL CO.	U9120973	REGULAR	241.01
	70	CLARK GAS AND OIL CO.	U9120983	DIESEL	75.20
	70	CLARK GAS AND OIL CO.	U9121018	DIESEL	75.91
	70	CLARK GAS AND OIL CO.	U9121034	REGULAR	387.87
	70	CLARK GAS AND OIL CO.	U9121037	DIESEL	73.84
				ACCOUNT TOTAL	999.24 *
				MAJOR TOTAL	8,525.91 **
				FUND TOTAL	52,681.10

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MAJOR#	VENDOR	VENDOR	INV#	DESCRIPTION	AMOUNT
ACCT#	NUMBER	NAME			
031400	**E911**				
3175		TRUNK LINE MO CHARGE/CITI			
	38030	VERIZON	APR21 911	E911	11.16
				ACCOUNT TOTAL	11.16 *
3320		MTN CONTRACTS/ALL SYSTEMS			
	1670	PROFESSIONAL COMMUNICATION	179878	MAINTENANCE CONTRACT	4,347.29
				ACCOUNT TOTAL	4,347.29 *
8112		ROAD SIGN MAINTENANCE			
	36110	JZ SIGNS	3728	ROAD SIGNS	125.96
				ACCOUNT TOTAL	125.96 *
8113		CAPITAL OUTLAY:Equip/Soft			
	43110	TECH SQUARED INC	MSP-1170	DISPATCH COMPUTER	1,669.00
				ACCOUNT TOTAL	1,669.00 *
				MAJOR TOTAL	6,153.41 **
				FUND TOTAL	6,153.41
				TOTAL DUE	586,472.52

Approved at meeting of \_\_\_\_\_ on \_\_\_\_\_.

Signed \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Title \_\_\_\_\_  
 Title \_\_\_\_\_  
 Title \_\_\_\_\_

Date \_\_\_\_\_  
 Date \_\_\_\_\_  
 Date \_\_\_\_\_

**RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF FLOYD, VIRGINIA  
(TRUIST COMPONENT)**

**WHEREAS**, the Board of Supervisors (the **“Board of Supervisors”**) of the County of Floyd, Virginia (the **“County”**) directed Davenport & Company LLC (the **“Financial Advisor”**) to prepare and distribute a Request for Proposals (the **“RFP”**) to obtain financing proposals to finance various County capital needs;

**WHEREAS**, the Financial Advisor reviewed responses to the RFP for the financing of the Projects (as defined below) and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommends that the Board of Supervisors accept the proposal dated April 8, 2021 (the **“Proposal”**) from Truist Bank (the **“Lender”**) for such financing with an interest rate as set forth in such Proposal and subject to such other terms as set forth therein;

**WHEREAS**, the Board of Supervisors has requested the Economic Development Authority of Floyd County, Virginia (the **“Authority”**) to (a) issue, offer and sell its lease revenue bond in an amount of approximately \$5,150,000 (the **“2021A Bond”**) to finance a new radio communications system in the County (the **“2021A Project”**), (b) issue, offer and sell its lease revenue bond (taxable) in an amount of approximately \$1,950,000 (the **“2021B Bond,”** and, together with the 2021A Bond, the **“Bonds”**) to finance a shell building to be developed for economic development purposes in the County (the **“2021B Project,”** and, together with the 2021A Project, the **“Projects”**), (c) lease the County’s administration building property (the **“Leased Property”**) from the County for an approximately twenty year term under a Ground Lease (as defined below), and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bonds under a Lease Agreement (as defined below) with the Authority and (d) secure the Bonds by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease under an Assignment Agreement (as defined below), which is to be acknowledged and consented to by the County, all in accordance with a Bond Purchase Agreement (as defined below);

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

- a. a Ground Lease, dated as of May 1, 2021, between the County and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (the **“Ground Lease”**);
- b. a Lease Agreement, dated as of May 1, 2021, between the Authority and the County (the **“Lease Agreement”**) conveying to the County a leasehold interest in such Leased Property;
- c. a Bond Purchase Agreement, dated as of May 1, 2021 among the Authority, the



County and the Lender, pursuant to which the Bonds are to be issued (**the “Bond Purchase Agreement”**);

- d. an Assignment Agreement, dated as of May 1, 2021 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County (**the “Assignment Agreement”**);
- e. a specimen 2021A Bond and specimen 2021B Bond.

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FLOYD COUNTY, VIRGINIA:**

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

2. The Authority is hereby requested to undertake the issuance of the Bonds, to loan the proceeds of the Bonds for the financing of the Projects and to secure the Bonds as set forth in the Documents.

3. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments due under the Lease Agreement and hereby recommends that future Boards of Supervisors do likewise during the term of the Lease Agreement. The Projects are hereby declared to be essential to the efficient operation of the County and the Board of Supervisors anticipates that the Projects will continue to be essential to the operation of the County during the term of the Lease Agreement and the term of the Bonds.

4. The Chairman or Vice Chairman of the Board of Supervisors (**the “Chairman”**) is authorized and directed to execute or approve the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the

Chairman, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

5. The Documents shall provide for payments in amounts equivalent to the payments on the Bonds, which shall be sold to the Bank with the payments corresponding to the following terms of the Bonds: (a) the 2021A Bond in the principal amount not to exceed \$5,150,000, with a fixed interest rate not to exceed 2.43%, for an amortization of approximately 15 years from its date of issuance and (b) the 2021B Bond in the principal amount not to exceed \$1,950,000, with a fixed interest rate not to exceed 3.07%, for an amortization of approximately 15 years from its date of issuance, and (c) all such Bonds being subject to optional redemption and other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same. Following the sale of the Bonds, the Chairman shall evidence his approval of the final terms and purchase price of the Bonds by executing the Bond Purchase Agreement. The actions of the Chairman in approving the terms of the Bonds by executing the Bond Purchase Agreement shall be conclusive, and no further action shall be necessary on the part of the Board of Supervisors.

6. The Chairman, Clerk of the Board of Supervisors, County Administrator, the County Treasurer, the County Attorney and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, the Financial Advisor, Bond Counsel, the Bank and its representatives to perform all services and prepare and execute all documentation necessary to sell the Bonds, including approving the final forms of the Documents, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Projects.

7. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2021A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**) or otherwise cause the interest on the 2021A Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the 2021A Bond.

8. The County hereby designates the 2021A Bond and allocates to the Authority in relation to the issuance of the 2021A Bond, such designation as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2021 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations for the benefit of the County pursuant to Section 265(b)(3) of the Code during such calendar year.

9. All costs and expenses in connection with the financing of the Projects and the issuance of the Bonds, including the Authority's fees and expenses and expenses of bond counsel, the County Attorney, the County's Financial Advisor, counsel for the Authority, and the

Bank shall be paid from the proceeds of the Bonds or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

10. All other acts of the Chairman and such other officers of the County as designated by the Chairman that are in conformity with the purposes and intent of this Resolution and in furtherance of the plan of financing, the issuance and sale of the Bonds and the financing of the Projects are hereby approved and ratified.

11. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 11<sup>th</sup> day of May, 2021.

The Resolution set forth above was adopted by a majority of the Board of Supervisors in an open meeting, during a regular meeting of the Board of Supervisors of Floyd County, Virginia on May 11, 2021 in which a quorum was present at all times, by the following votes:

AYES:

NAYS

ABSTENTIONS:

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Clerk, Board of Supervisors

**EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266**

**EXEMPT FROM RECORDATION TAXES PURSUANT  
TO VIRGINIA CODE SECTION 58.1-811.E**

**GROUND LEASE**

**THIS GROUND LEASE**, dated as of the 1st day of May, 2021, is a deed of lease and is between the **COUNTY OF FLOYD, VIRGINIA** (the "County") as lessor and grantor for indexing purposes, and the **ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia, (the "Authority"), as lessee and grantee for indexing purposes.

**WITNESSETH:**

**WHEREAS**, the Authority desires to acquire a leasehold interest in the County administration building, located in the County, as more fully described in Exhibit A hereto, (the "Leased Property"), in connection with (a) the issuance of its lease revenue bond in an amount of approximately \$5,150,000 (the "2021A Bond") to finance a new radio communications system in the County (the "2021A Project") and (b) the issuance of its lease revenue bond (taxable) in an amount of approximately \$1,950,000 (the "2021B Bond," and, together with the 2021A Bond, the "Bonds") to finance a shell building to be developed for economic development purposes in the County (the "2021B Project," and, together with the 2021A Project, the "Projects"); and

**WHEREAS**, the Authority, the County and Truist Bank (the "Lender") have entered into a Bond Purchase Agreement, dated as of May 1, 2021 (the "Bond Purchase Agreement"), to provide the terms for the issuance of the Bonds, the proceeds of which will finance the Projects as described above and pay costs of issuing the Bond; and

**WHEREAS**, the County holds the fee simple title to the Leased Property; and

**WHEREAS**, the County desires to lease the Leased Property to the Authority to finance the Projects and, in turn, such Leased Property will be leased to the County pursuant to a Lease Agreement, between the Authority and the County, dated as of the date hereof (the "Lease Agreement") pursuant to which the County will agree to make rental payments thereunder sufficient to pay debt service on the Bonds; and

**WHEREAS** the Authority desires to enter into this Ground Lease with the County in order to finance the Projects; and

**WHEREAS**, pursuant to Section 15.2-1800 of the Code of Virginia of 1950, as amended, the County is authorized to enter into leases of real property;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

**Section 1. Lease of Leased Property.** The County hereby demises and leases to the Authority, and the Authority hereby leases from the County, the Leased Property, together with all improvements now or hereafter located thereon or situated thereon, subject to the terms and provisions of this Ground Lease.

**Section 2. Term.** The term of this Lease shall commence on the execution hereof and shall expire at 11:59 p.m., February 1, 2041 as to the Leased Property, unless such term is sooner terminated as hereinafter provided.

**Section 3. Rental.** The Authority shall pay to the County, upon the execution hereof, as and for rental hereunder the sum of \$10.00 from the proceeds of the Bond and other valuable consideration upon the execution of this Ground Lease, receipt of which is hereby acknowledged, representing rental of the Leased Property in advance for the term of this Ground Lease.

**Section 4. Purpose.** The Authority shall use the Leased Property for leasing of the Leased Property to the County pursuant to the terms of the Lease Agreement, as well as for such purposes as may be incidental thereto; provided, however, that if any default by the County (which is not cured within any applicable notice and cure period) or an event of non-appropriation by the County occurs under the Lease Agreement, then the Lender shall be entitled to use the Leased Property for any use in accordance with all applicable laws for the remainder of the term hereof.

**Section 5. Title to Leased Property.** The County represents and warrants that it is the owner in fee simple of the Leased Property and that its title is good and marketable.

**Section 6. Assignment and Sublease.** The Authority may assign its rights under this Ground Lease or encumber its rights hereunder or sublet the Leased Property without the consent of the County only (a) in connection with any assignment of its rights under the Lease Agreement, (b) if the Lease Agreement is terminated for any reason, including without limitation, because of a failure of appropriation or (c) if an Event of Default, as defined in the Lease Agreement, has occurred and is continuing. The Authority shall not assign its interest in this Ground Lease or encumber its rights hereunder or sublet the Leased Property without the consent of the Lender.

**Section 7. Fees and Expenses.** The County has agreed under the Lease Agreement to pay, subject to appropriation by the County, all reasonable expenses of the Authority arising out of the transactions contemplated by the Basic Agreements (as defined in the Lease Agreement).

**Section 8. Termination.**

(a) In the event the County makes all of the payments of Basic Rent and Additional Rent (each as defined in and provided for in the Lease Agreement) or upon the expiration of the term hereof, the leasehold estate of the Authority hereunder shall be transferred, conveyed and assigned by the Authority to the County. The Authority agrees, upon such transfer, conveyance, assignment and termination, to surrender the Leased Property to the County, or as instructed by the County, after taking all actions necessary by law to permit such transfer, conveyance and assignment and, upon the request of the County, to execute an appropriate instrument evidencing such transfer, conveyance and assignment.

(b) The County shall not have the right to exclude the Authority from the Leased Property or take possession of the Leased Property (other than pursuant to the Lease Agreement) or to terminate this Ground Lease prior to the expiration of its term upon any default by the Authority of its obligations hereunder, except that if, upon payment by the County of all amounts specified in Section 4.12 of the Lease Agreement, the Authority fails to convey its leasehold estate hereunder to the County, then the County shall have the right to terminate this Ground Lease, such termination to be effective 30 days after giving notice of such termination to the Authority and, itself, convey its interest in the Leased Property to the County. However, in the event of a default by the Authority hereunder, the County may maintain an action for specific performance.

**Section 9. Quiet Enjoyment.** Subject to the Lease Agreement, the Authority at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy the entire leasehold estate created hereunder.

**Section 10. Notices.** All notices to be given under this Ground Lease shall be in writing and shall be deemed to have been given when delivered in person or when mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Authority, c/o Floyd County Administration Office, 120 West Oxford Street, Floyd, Virginia 24091 (Attention: County Administrator), or (b) if to the County, County Administration Office, 120 West Oxford Street, Floyd, Virginia 24091 (Attention: County Administrator).

**Section 11. Severability.** If any provision of this Ground Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

**Section 12. Additional Provisions.** All costs and expenses in connection with the undertaking of the refunding and restructuring of the Refunded Bond and the issuance of the Bond, including the Authority's expenses, the fees and expenses of the County and its counsel, the County and its counsel, the fees and expenses of the Bond Counsel and the Lender and its counsel and other related costs of issuance, for the sale of the Bond, shall be paid for the proceeds therefrom as applicable, or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.

**Section 13. Indemnification.** The County by acceptance of this financing under the Lease Agreement has agreed to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, members, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the issuance of the Bond.

**Section 14. Liability of Authority.** Notwithstanding any provision of this Ground Lease to the contrary, the obligations of the Authority under this Ground Lease are not general obligations of the Authority but are limited obligations payable solely from payments of Basic Rent and Additional Rent, if any. No director or officer of the Authority shall be personally liable on the Authority's obligations hereunder.

**Section 15. Successors and Assigns.** This Ground Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 16. Counterparts.** This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same Ground Lease.

**Section 17. Governing Law.** This Ground Lease shall be governed by the laws of the Commonwealth of Virginia.

**Section 18. No Merger.** The reversionary and leasehold estates in and to the Leased Property created by this Ground Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the County, the County, the Lender, any lessee or any third party, unless the person holding both of such estates shall expressly elect in writing for them to merge.



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

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

COMMONWEALTH OF VIRGINIA)  
COUNTY OF FLOYD (AT LARGE))

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_\_ day of May, 2021, by \_\_\_\_\_, as Chairman of the Economic Development Authority of Floyd County, Virginia.

My commission expires: \_\_\_ / \_\_\_ / \_\_\_

My Commission ID number is \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA )  
COUNTY OF FLOYD (AT LARGE))

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_\_ day of May, 2021, by \_\_\_\_\_, as Chairman of the Board of Supervisors of the County of Floyd, Virginia.

My commission expires: \_\_/\_\_/\_\_

My Commission ID number is \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**Exhibit A**  
**Property Description**

Tax Map Parcel Number(s): \_\_\_\_\_

7.6.3.

**LEASE AGREEMENT**

**between**

**ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**

**and**

**COUNTY OF FLOYD, VIRGINIA**

**Dated as of May 1, 2021**

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**ALL BASIC RENT (AS DEFINED HEREIN) PAYABLE UNDER THIS LEASE HAS BEEN ABSOLUTELY ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF TRUIST BANK, ITS SUCCESSORS OR ASSIGNS PURSUANT TO AN ASSIGNMENT AGREEMENT WITH THE ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA AND TRUIST BANK, DATED AS OF MAY 1, 2021, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME.**

**This Lease Agreement is exempt from recording taxes under Section 58.1-811E of the Code of Virginia of 1950, as amended**

**This Lease Agreement is exempt from clerk's fee pursuant to Section 17.1-266 of the Code of Virginia of 1950**

Prepared by and return to:  
Daniel M. Siegel, Esquire  
Sands Anderson, PC  
P.O. Box 1998  
Richmond, Virginia 23219  
(804) 648-1636  
VSB# 20523

**THIS LEASE AGREEMENT**, dated as of May 1, 2021, between the **ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia (**the “Authority”**) and grantor for indexing purposes and the **COUNTY OF FLOYD, VIRGINIA**, a county and political subdivision of the Commonwealth of Virginia (**the “County”**) and grantee for indexing purposes;

**W I T N E S S E T H:**

**WHEREAS**, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (**the “Act”**);

**WHEREAS**, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to finance and refinance and lease facilities for use by a locality, to issue its revenue bonds, notes and other obligations from time to time for this purpose, and to pledge all or any part of the revenues to secure the payment of such obligations;

**WHEREAS**, pursuant to a Ground Lease entered into between the Authority and the County as of the date hereof, the Authority is acquiring simultaneously with the execution hereof a leasehold interest in the County’s administration building property (**the “Leased Property”**) located in the County, as more fully described in **Exhibit A** to the Ground Lease and in **Exhibit B** hereto; and

**WHEREAS**, the Authority has agreed to finance the Projects, as hereinafter defined, and to lease the Leased Property to the County and the County has agreed to finance the Projects and to lease the Leased Property from the Authority.

**NOW, THEREFORE**, for and in consideration of the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

**ARTICLE I.  
DEFINITIONS**

**Section 1.1 Definitions.** The following words as used in this Lease Agreement shall have the following meanings unless the context otherwise requires.

**“2021A Bond”** shall mean the Authority’s Lease Revenue Bond, Series 2021A issued pursuant to the Bond Purchase Agreement to finance the 2021A Project.

**“2021A Project”** shall mean the financing of a portion of capital needs for the County in connection with a radio communications system in the County.

**“2021B Bond”** shall mean the Authority’s Lease Revenue Bond, Series 2021B (Taxable) issued pursuant to the Bond Purchase Agreement to finance the 2021B Project.

**“2021B Project”** shall mean the financing of a portion of capital needs for the County in connection with shell building being developed in the County for economic development purposes.

**“Additional Bond”** or **“Additional Note”** shall mean any bonds or notes issued to finance the completion of the Projects or to refund the Bonds or any Additional Bonds or Additional Notes, secured by rent from the lease of the Leased Property under a Supplemental Lease Agreement on a parity basis with the Bonds and any other Additional Bonds and Additional Notes.

**“Additional Rent”** has the meaning given to it in Section 4.2(b).

**“Assignment Agreement”** shall mean the Assignment Agreement entered into as of the date hereof, between the Authority and Truist Bank, relating to the assignment by the Authority of its rights under the Ground Lease and this Lease Agreement, and any and all amendments thereto as acknowledged and consented to by the County.

**“Authority”** shall mean the Economic Development Authority of Floyd County, Virginia, a political subdivision of the Commonwealth of Virginia, its successors and assigns.

**“Basic Agreements”** shall mean the Ground Lease, the Bond Purchase Agreement, the Assignment Agreement, and this Lease Agreement.

**“Basic Rent”** shall mean the payments payable by the County pursuant to Section 4.2(a) during the Lease Term.

**“Board of Supervisors”** shall mean the Board of Supervisors of Floyd County, Virginia, as the governing body of the County.

**“Bonds”** shall mean the 2021A Bond and the 2021B Bond.

**“Bondholder”** shall initially mean Truist Bank, as the purchaser of the Bonds, and subsequently its successors and assigns.

**“Bond Purchase Agreement”** shall mean that certain Bond Purchase Agreement among the Authority, the County, and the Bondholder, dated as of May 1, 2021.

**“Code”** shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

**“County”** shall mean the County of Floyd, Virginia.

**“Environmental Laws”** shall mean all federal, state and local laws (including common or decisional law), statutes, ordinances and regulations relating to pollution or protection of human health or the environment (including without limitation ambient air, surface, water, ground water, wetlands, land surface or subsurface strata), including without limitation laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous

Materials or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials. Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (“FIFRA”), the Resource Conservation and Recovery Act, as amended (“RCRA”) and the Superfund Amendments and Reauthorization Act of 1986, as amended (“TSCA”).

**“Environmental Liabilities”** shall mean any and all obligations to pay the amount of any judgment or settlement, the cost of complying with any settlement, judgment or order for injunctive or other equitable relief, the cost of compliance, cleanup, remediation, response or other corrective action in response to any notice, demand or request from a governmental authority, the amount of any civil penalty or criminal fine, and any court costs and reasonable amounts for attorney’s fees, fees for witnesses and experts, and costs of investigation and preparation for defense of any claim or proceeding, regardless of whether such proceeding is threatened, pending or completed, that have been or may be asserted against or imposed upon the Authority, the County or the Leased Property and arise out of:

(a) Failure of the County or the Leased Property to comply at any time with all Environmental Laws;

(b) Presence of any Hazardous Materials on, in, under, at or in any way affecting the Leased Property at any time;

(c) A release at any time of any Hazardous Materials on, in, at, under or in any way affecting the Leased Property or at, on, in, under or in any way affecting any adjacent site or facility;

(d) Identification of the Authority or the County as a potentially responsible party under CERCLA or under any Environmental Law similar to CERCLA;

(e) Presence of any above-ground and/or underground storage tanks, as defined in RCRA or in any applicable Environmental Law on, in, at, under or in any way affecting the Leased Property or on, in, at, under or in any way affecting any adjacent site or facility; or

(f) Any and all claims for injury or damage to persons or property arising out of exposure to Hazardous Materials originating at the Leased Property or resulting from operation thereof or located at the Leased Property or any adjoining property.

**“Ground Lease”** shall mean the Ground Lease between the County and the Authority, entered into as of the date hereof, and any and all amendments thereto.

**“Hazardous Materials”** shall mean chemicals, pollutants, contaminants, wastes and toxic substances, including without limitation:

(a) Solid or hazardous waste, as defined in RCRA or in any Environmental Law;

(b) Hazardous substances, as defined in CERCLA or in any Environmental Law;

(c) Chemical substances and mixtures, as defined in TSCA or in any Environmental Law;

(d) Pesticides, as defined in FIFRA or in any Environmental Law; and

(e) Crude oil or fractions thereof, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos, urea formaldehyde, fluorinated hydrocarbons and radon.

**“Lease Agreement”** shall mean this Lease Agreement and any and all amendments hereto.

**“Lease Term”** shall mean the duration of the leasehold estate created in the Leased Property as provided in Section 4.1.

**“Leased Property”** shall mean the real estate and building improvements known as the County’s administration building property located in the County, as further described in **Exhibit A** to the Ground Lease and **Exhibit B** to this Lease Agreement.

**“Net Proceeds”** shall mean the gross proceeds from any insurance recovery or condemnation or eminent domain award in connection with the Leased Property less payments for attorney’s fees and other expenses incurred in the collection of such gross proceeds.

**“Payment of Basic Rent”** shall mean payment in full of all Basic Rent due and to become due to and including February 1, 2036.

**“Permitted Encumbrances”** shall mean, as of any particular time as to the Leased Property, (a) liens for taxes and special assessments not then delinquent, (b) liens for taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the County shall have set aside adequate reserves, unless thereby any of the Leased Property or the interest of the County therein may be in danger of being lost or forfeited, (c) this Lease Agreement and any security interests or other liens created thereby, (d) mechanics’ and materialmen’s liens incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment, provided that the County shall have set aside adequate reserves with respect thereto, (e) restrictions, mineral rights, easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, or for the joint or common use of real property, in each case which do not materially impair the use of the Leased Property for the purposes for which it is or may reasonably be expected to be held, (f) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the County for essential governmental purposes and similar in character to the Leased Property and as will not, in an opinion of the County Attorney, impair the use of the Leased



Property affected thereby for the purpose for which it is or may reasonably be expected to be held by the County (and must be in form and substance reasonably acceptable to the Bondholder), (g) present or future zoning laws and ordinances, and (h) liens, property interests and rights related to the Bonds or any Additional Bonds or Additional Notes.

“**Project**” shall mean the 2021A Project and the 2021B Project, including, but not limited to, costs of issuance related to the 2021A Bond and the 2021B Bond.

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

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote the payment of the Bonds at their stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Lease Agreement.

(d) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Lease Agreement nor shall they affect its meaning, construction or effect.

All references herein to payment of the Bonds are references to payment of principal of and premium, if any, and interest on the Bonds.

## **ARTICLE II. REPRESENTATIONS**

**Section 2.1 Representations by Authority.** The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created by an ordinance of the County pursuant to the Act;

(b) The undertaking by the Authority (i) to finance a portion of the costs of the Projects and (ii) to lease the Leased Property to the County, has been authorized, in compliance with the Act and the Authority’s Bylaws, by the affirmative vote of not less than a majority of the members of the Authority present during an open meeting at which a quorum was present and acting throughout;

(c) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered the Basic Agreements and has issued the Bonds;

(d) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Agreements will not conflict with or constitute or result in a default

under or violation of, (1) the Act, the Authority's Bylaws or the ordinance creating the Authority, (2) any existing law, rule or regulation applicable to the Authority, or (3) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Basic Agreements;

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Agreements or the Bonds, (3) the validity or enforceability of the Basic Agreements or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Basic Agreements or the Bonds, or (5) the power to finance the Projects; and

(g) The Authority is the owner of a leasehold estate in the Leased Property granted by the Ground Lease, which leasehold estate is being leased to the County pursuant to this Lease Agreement.

**Section 2.2 Representations by County.** The County makes the following representations:

(a) The County is a county and political subdivision of the Commonwealth of Virginia;

(b) The lease of the Leased Property to the County pursuant to this Lease Agreement will provide for the acquisition or has provided for the acquisition of certain capital projects that will serve functions which are essential to the proper operations of the County and the welfare of its residents;

(c) The County has full power and authority to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements;

(d) The County 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 or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(e) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of the Basic Agreements to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the County, or (2) 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 County or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Agreements to which it is a party;

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened with respect to (1) the authority of the County to execute and deliver the Basic Agreements to which it is a party, (2) the validity or enforceability of such Basic Agreements or the County's performance of its obligations thereunder, (3) the title of any officer of the County executing such Basic Agreements, (4) the power to finance a portion of the costs of the Project, or (5) that will materially or adversely affect the County's financial condition or ability to occupy the Leased Property;

(h) There are no present or, nor to the knowledge of the County, past actions, activities, circumstances, conditions, events or incidents, including without limitation, any release of any Hazardous Materials which have not been appropriated, remediated or addressed, that could form the basis for assertion of any Environmental Liability with respect to the Leased Property against the County or the Authority. The County will comply with all Environmental Laws applicable to the County and the Leased Property, as they may exist from time to time. The County has not received any communication in any form from any governmental environmental authority alleging that the County, with respect to the Leased Property is not in compliance with any Environmental Law; and

(i) Until termination of the Lease Term, the County intends to operate the Leased Property, or to cause it to be operated, as described in this Lease Agreement or for any other use which is permissible under the Act, the Code and the Code of Virginia of 1950, as amended. The County will not use or occupy the Leased Property or permit any portion thereof to be used or occupied (i) contrary to any law or regulation in effect now or in the future (and without regard to any change of government policy) or (ii) in any manner which will (a) cause structural injury to any part of the Leased Property, (b) cause the value or the usefulness of the Leased Property to diminish (ordinary wear and tear excepted), (c) constitute a public or private nuisance or (d) result in waste to the Leased Property; nor will it do or permit anything to be done on or about the Leased Property that will affect, impair or contravene any policies of insurance that may be carried on the Leased Property or with respect to its use, or adversely impact the tax-exempt status of interest on the 2021A Bond or any Additional Bonds or Additional Notes for federal income tax purposes, if applicable, or the bank qualified status of the 2021A Bond.

**ARTICLE III.**  
**ACQUISITION OF THE PROJECTS AND LEASING OF THE PROPERTY**

**Section 3.1 Demise of Leased Property.** The Authority demises and leases to the County and the County leases from the Authority, the Leased Property, for the term set forth in Section 4.1 and the Basic Rent and Additional Rent and in accordance with the terms of this Lease Agreement. The Authority hereby agrees to perform the obligations imposed upon it as lessee under the Ground Lease. Subject to the provisions of Articles VI and VII, the County shall be entitled to possession of the Leased Property during the term of this Lease Agreement.

**Section 3.2 Agreement to Acquire, Construct, Renovate, Equip, Install and Furnish the Project.** Contemporaneously with the execution and delivery hereof, the Authority shall issue the Bonds to finance the Projects, which amount, together with other funds of the County, the County reasonably believes to be sufficient to complete such portions of the Projects.

The costs and expense of the performance by the Authority of any of its obligations under the Lease Agreement will be limited to the availability of the proceeds of the Bonds issued for such purpose, or any Net Proceeds or from other funds provided by the County for such purposes.

**THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE COUNTY WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE LEASED PROPERTY,** except that the Leased Property is each free from encumbrances done, made or knowingly suffered by the Authority or anyone claiming by, through or under it.

The County, as agent for the Authority, obtained or caused to be obtained all permits, approvals and consents necessary for completion of the Projects. Upon request of the Bondholder, the County shall provide copies of such permits, approvals and consents.

In order to effectuate the purposes of this Lease Agreement, the County, as agent for the Authority, has made, executed, acknowledged and delivered, or caused to be made, executed, acknowledged and delivered, all contracts, orders, receipts, writings and instructions, in the name of the County or otherwise, with or to other persons, firms or corporations, and in general has done or caused to be done all such other things as may be requisite or proper for the reimbursement costs of certain capital expenditures of the Projects and fulfillment of the obligations of the County under this Lease Agreement.

The County recognizes that since the Leased Property has been undertaken at the County's request and by contractors and suppliers selected by the County in accordance with plans and specifications prepared by architects or engineers selected by the County.

In the event of default of any contractor or subcontractor under any construction contract in connection with the Projects or the Leased Property, the County, will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Authority or the County, as agent for the Authority, against the contractor or subcontractor in default and against each surety for the performance of such contractor. The County agrees to advise the Authority and the Bondholder, in writing, of the steps it intends to take in connection with any such default.

The County may, in good faith and at the expense of the County in its own name or in the name of the Authority, by notice from the County to the Authority and the Bondholder, prosecute or defend any action or proceeding or take any other action involving such contractor, subcontractor or surety which the County deems reasonably necessary, and in such event the Authority hereby agrees to cooperate fully with the County. Any amounts recovered by way of damages, refunds, adjustments or otherwise, net of reasonable expenses related thereto, in connection with the foregoing shall, subject to any requirements of the Code, paid to the County, to reimburse the County for any costs it incurred in connection with the foregoing and then to the Bondholder for repayment of the Bonds.

**ARTICLE IV.  
LEASE TERM; PAYMENT OF RENTALS;  
MAINTENANCE; INSURANCE; CERTIFICATION AND TAXES**

**Section 4.1 Lease Term.** The Lease Term shall commence on the date of execution hereof and, unless sooner terminated in accordance with the provisions hereof, shall terminate at the later of (a) 11:59 p.m. on February 1, 2036, or (b) if all payments required by this Lease Agreement or in respect of the Bonds (including any Additional Bonds or Additional Notes) have not been made on such date, the date on which all such payments shall have been made.

**Section 4.2 Rental Payments.**

(a) The County shall pay the Basic Rent to the Bondholder on behalf of the Authority, subject to Section 4.5, as shown on Exhibit A and as allocated between the 2021A Bond and the 2021B Bond as shown therein. During the Lease Term, commencing on August 1, 2021, and each February 1 and August 1 thereafter during the Lease Term the County shall pay Basic Rent in the amount shown in the column "Payments" for each of the 2021A Bond and the 2021B Bond on Exhibit A hereto as it may be amended on the date such Basic Rent is due and subject to adjustment upon a Determination of Taxability (as defined in the 2021A Bond). Each Basic Rent Payment, which shall include an interest component (under the column labeled "Interest," subject to adjustment as described in the preceding sentence), may include a principal component (under the column labeled "Principal") as set forth on Exhibit A, and shall be paid in lawful money of the United States of America. In the event the County fails to make any Basic Rent payments when due, interest on the principal component of such Basic Rent shall accrue from such date until paid at the rate per annum that will yield the amount necessary to pay interest due on the Bonds on the date the late payment of Basic Rent is made. Interest components of Basic Rent may be adjusted as provided in the Bonds.

(b) The County shall also pay when due any additional rent ("**Additional Rent**") which shall include amounts under Section 4.2(b), Section 4.2(c), Section 4.3 and Section 6.6 hereunder, as applicable, and otherwise as required by any obligations or agreements made hereunder or in connection with the Bond Purchase Agreement, including but not limited to any amounts due to the United States of America as required by the arbitrage rebate requirements of Section 148 of the Code applicable to the 2021A Bond (the "**Rebate Amount**"). The County shall, if necessary, calculate and timely pay as Additional Rent the Rebate Amount, if any, in amounts required by Section 148 of the Code and regulations promulgated thereunder, and the County and the Authority covenant to comply with all applicable requirements in this regard. The obligations of the County to make the payments of Basic Rent and Additional Rent,

if any, and to perform and observe the other obligations and agreements contained herein shall be absolute and unconditional except as provided in Section 4.5.

(c) If the County fails to make any payment of Basic Rent or Additional Rent within 7 days after the date on which such payment(s) is due and payable hereunder, the County shall pay a late payment charge equal to five percent (5.00%) of the overdue payment(s).

**Section 4.3 Prepayment of Rentals; Option To Purchase.** [option to be selected by BOS chair] [The County may, at any time at its option, make prepayments in whole only of all then outstanding principal components of Basic Rent corresponding to one or both Bonds, upon fifteen (15) business days' prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 101% of the outstanding principal amount of the Bonds.] [The Bonds are not subject to redemption prior to August 1, 2028. The Bonds are subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time on or after August 1, 2028, in whole only, upon fifteen (15) business days' prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 100% of the outstanding principal amount of the Bonds.] The Bondholder shall apply the amounts so prepaid in such manner as shall be consistent with the provisions hereof to redeem, prepay or defease the Bonds. Any such prepayment of principal components of Basic Rent paid plus interest accrued to the redemption or prepayment date and such prepayment penalty, if any, shall be considered as Additional Rent hereunder.

**Section 4.4 Additional Bonds and Additional Notes.** Subject to the Bondholder's prior written consent Additional Bonds and Additional Notes may be issued pursuant to a supplemental lease agreement and shall be equally and ratably secured with the Bonds without preference, priority or distinction; provided, however, that any moneys in any debt service reserve account that may be established shall secure only the applicable bond or note to which it applies, and provided further that any particular bonds or notes may have other security pledged to their payment.

**Section 4.5 Appropriations of Basic Rent and Additional Rent, if any; Declaration of Essentiality.** The Board of Supervisors reasonably believes that funds sufficient to make all payments of Basic Rent and Additional Rent during the term of this Lease Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make payments of Basic Rent and Additional Rent, if any, beyond the current fiscal year, the Board of Supervisors in authorizing the execution of this Lease Agreement has stated its intent to make annual appropriations sufficient to make the payments of Basic Rent and Additional Rent, if any, and it has recommended that future Boards of Supervisors continue to do so during the term of this Lease Agreement.

The Board of Supervisors hereby declares the nature of the Leased Property essential to the efficient operation of the County. The Board of Supervisors anticipates that the need for the Leased Property will not change during the term of this Lease Agreement. Notwithstanding anything in this Lease Agreement to the contrary, the County's obligations to pay the cost of performing its obligations under this Lease Agreement, including without limitation its obligations to pay all Basic Rent and Additional Rent, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose; provided, however, that the County Administrator or other officer charged with the responsibility

for preparing the County's annual budget shall include in the budget for each fiscal year the amount of the Basic Rent and Additional Rent, if any, due during such fiscal year. Throughout the Lease Term, the County Administrator shall deliver to the Bondholder and the Authority within ten days after the adoption of the budget for each fiscal year, but not later than July 10<sup>th</sup>, a certificate stating whether an amount equal to the Basic Rent and Additional Rent which will be due during the fiscal year beginning July 1<sup>st</sup> has been appropriated by the Board of Supervisors in such budget. If, by July 15, the Board of Supervisors has not appropriated Basic Rent for the then current Fiscal Year, the County Administrator shall give written notice to the Board of Supervisors of the consequences of such failure to appropriate, including the right of the Bondholder to terminate this Lease Agreement in accordance with Article VII.

**Section 4.6 Insurance.** The County shall continuously maintain insurance against such risks and in such amounts as are customary for public bodies owning similar projects, including without limitation:

(a) public liability insurance to the extent of \$1,000,000 per occurrence against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, operation or occupation of the Leased Property;

(b) workers' compensation insurance with respect to the Leased Property;

(c) coverage to the extent of the full replacement cost of the Leased Property against loss or damage by fire or lightning, with broad form extended coverage, including damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally included within such coverage (limited only as may be provided in the standard form for such coverage at the time in use in the Commonwealth of Virginia), provided that during the period of construction of portions of the Leased Property, the County may provide or cause to be provided in lieu of the insurance set forth above builders' risk or similar type of insurance to the full replacement cost thereof minus site work not normally insured; and

(d) comprehensive automobile liability insurance 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 or use of the Leased Property.

All such insurance shall be taken out and maintained with generally recognized responsible insurers selected by the County and acceptable to the Bondholder and may be written with deductible amounts comparable to those on similar policies carried by other public bodies owning and operating similar facilities. The Bondholder may request an increase of coverages on a reasonable basis. 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 Article, Chapter 48, Title 38.2, Code of Virginia of 1950, as amended, or any successor provision of law, the County shall provide evidence reasonably satisfactory to the Bondholder that such insurance is enforceable under the laws of the Commonwealth of Virginia. In each policy, other than policies of workers' compensation insurance, the Bondholder and the Authority shall be named as additional insureds to the extent their interests may appear. The policies of insurance required by subsection (c) above shall require that all Net Proceeds

resulting from any claims be paid to the Bondholder and the County. The County hereby irrevocably assigns, transfers and sets over to the Bondholder all right, title and interest of the County, in such Net Proceeds; provided, however, if the Net Proceeds payable under any one claim shall not exceed \$250,000 and no event has occurred or is continuing that constitutes or that, by notice or lapse of time, or both, would constitute an Event of Default under this Lease Agreement, such Net Proceeds shall be paid to the County to be used for purposes set forth in Section 5.1(b)(1) or (2).

All such policies shall be deposited with the Bondholder, provided that in lieu of such policies there may be deposited with the Bondholder and the Authority a certificate or certificates of the respective insurers attesting to the fact that the insurance required by this Section is in full force and effect. Prior to the expiration of any such policy, the County shall furnish the Bondholder and the Authority evidence satisfactory to the Bondholder and the Authority that the policy has been renewed or replaced or is no longer required by this Lease Agreement. Unless a policy with such an undertaking is available only at a cost which the County, with the approval of the Bondholder, determines to be unreasonable, each policy shall contain an undertaking by the insurer (in form commercially reasonable for similar insurers) that such policy shall not be modified adversely to the interests of the Bondholder or the Authority or cancelled without at least 30 days' prior notice to the Bondholder and the Authority.

In lieu of policies of insurance written by commercial insurance companies meeting the requirements of this Section, the County may maintain a program of self-insurance or participate in group risk financing programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or federal insurance programs; provided, however, that such alternative is reasonably acceptable to the Bondholder (based on a favorable written opinion of an independent insurance consultant having a favorable reputation for skill and experience in such work).

To the extent losses for any damage to the Leased Property, however caused, are paid from the Net Proceeds of any insurance required by this Section, no claim shall be made and no suit shall be brought against the County by the Bondholder or anyone else claiming by, through or under it.

**Section 4.7 Maintenance; Expenses of Maintenance; Taxes.** Subject to Sections 4.5, 5.1 and 5.2, the County shall maintain, preserve and keep the Leased Property, or cause the Leased Property, to be maintained, preserved and kept, in good condition. The County shall not abandon the Leased Property, during the Lease Term except pursuant to Section 7.1. Subject to Section 4.5, the County shall pay or cause to be paid, in addition to Additional Rent, all of the expenses of maintenance and operation of the Leased Property. The County shall pay or cause to be paid any and all taxes and assessments payable with respect to the Leased Property.

**Section 4.8 Net Lease.** This Lease Agreement shall be deemed and construed to be a net lease, and during the Lease Term, the County shall pay Basic Rent and Additional Rent, if any, free of all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason whatsoever.

**Section 4.9 Proof of Payment of Taxes, etc.** The County shall pay all and furnish the Bondholder or the Authority, upon request, proof of payment of any taxes, utility charges,



insurance premiums, or other charges or payments required to be paid by the County under this Lease Agreement.

**Section 4.10 No Encumbrances.** The County shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, or the rights of the County and the Authority as herein provided, other than Permitted Encumbrances. Subject to Section 4.5, the County shall promptly and duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above if the same shall arise at any time.

**Section 4.11 Installation of County's Own Furnishings and Equipment.** The County may from time to time, in its discretion and at its own expense, install furnishings and equipment at the Leased Property not financed with proceeds of the Bonds. All furnishings and equipment so installed by the County shall remain property of the County in which neither the Authority nor the Bondholder shall have any interest and may be modified or removed at any time while the County is not in default under this Lease Agreement, except that all such furnishings and equipment shall be subject to a landlord's lien to the extent permitted under the laws of the Commonwealth of Virginia. Nothing contained in this Section shall prevent the County from purchasing furnishings and equipment and creating purchase money security interests therein pursuant to the Uniform Commercial Code of Virginia as security for the unpaid portion of the purchase price thereof, and each such security interest with respect to furnishings and equipment purchased by it under the provisions of this Section after the delivery of the Assignment Agreement shall, if appropriate financing statements are duly filed for record simultaneously with or prior to the installation of the Leased Property, or the furnishings and equipment covered thereby, be prior and superior to such landlord's lien. The County shall pay as due the purchase price of and all costs and expenses with respect to the acquisition and installation of any furnishings and equipment installed by it pursuant to this Section.

**Section 4.12 Transfer at End of Lease Term.** The Authority's leasehold estate in the Leased Property shall be transferred, conveyed and assigned to the County after payment by the County of all payments then due and thereafter to become due through and including, February 1, 2036 (or as may be extended under a Supplemental Lease Agreement), whether pursuant to Section 4.2 or 4.3, and Additional Rent, if any, subject to the taking of any actions required by law prior to such consequence, transfer or assignment.

**Section 4.13 Use of Proceeds.** Neither the County nor the Authority shall knowingly (a) take any action, or approve the making of any investment or use of the proceeds of the 2021A Bond (including failure to spend the same with due diligence) or taking any other action, which would cause the 2021A Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or (b) barring unforeseen circumstances, approve the use of the proceeds from the sale of the 2021A Bond otherwise than in accordance with the Authority's "non-arbitrage" certificate given immediately prior to the issuance of the 2021A Bond.

**Section 4.14 Preservation of Tax-Exempt Status of Interest, Representation, Warranties and Covenants.**

(a) General. The County shall not sublease the Leased Property, or any portion thereof, to any entity other than the Commonwealth of Virginia, a city, a county or a town, or

any agency or political subdivision thereof, without an opinion of Bond Counsel that such sublease or other availability would not adversely affect the status of the portion of the Basic Rent representing interest allocable to the 2021A Bond as provided in Section 4.2 for federal income tax purposes. The County shall send notice to the Bondholder and the Authority of any sublease of the Leased Property or any portion thereof within 30 days of entering into such sublease. The County and the Authority covenant that the Leased Property shall not be used in a manner that would permit the proceeds of the 2021A Bond to be used in any manner that would result in (a) 10% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Leased Property, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the 2021A Bond from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County and the Authority need not comply with such covenants.

(b) **Incorporation of Tax and Non-Arbitrage Certificate.** Lessee hereby makes each of the representations, warranties and covenants contained in the Tax and Non-Arbitrage Certificate delivered with respect to the 2021A Bond. By this reference each such Tax and Non-Arbitrage Certificate is incorporated in and made a part of this Lease Agreement.

**Section 4.15 Certification as to Environmental Liabilities.** To the extent permitted by law, the County agrees to defend, indemnify and save harmless the Authority and the Bondholder from and against any and all Environmental Liabilities to which the Authority or the Leased Property is or may become subject or which may be alleged or asserted against the Bondholder.

**Section 4.16. Recording and Filing.** The County will, at its expense, record a counterpart of this Lease Agreement, the Ground Lease and the Assignment Agreement in the Office of the Clerk of the Circuit Court of Floyd County, Virginia, on or before the date of delivery of the Bonds or as otherwise directed by the Bondholder.

**Section 4.17. Subletting by County.**

(a) Subject to Section 4.14, the County may sublease space in the Leased Property without the consent of the Authority and the Bondholder; provided, however, that no sublease will be made if it would (i) have any adverse effect upon or affect or reduce the County's obligations under this Lease Agreement, (ii) be to a party that could not under the Act be the lessee from the Authority of all or any portion of the Leased Property, or (iii) be contrary to law.

(b) Before any sublease is made, the County will cause to be delivered to the Authority and the Bondholder an opinion of Bond Counsel that the use of such portion of the

Leased Property by the sublessee will not cause the interest on any of the 2021A Bond to be included in gross income for purposes of federal income taxation.

(c) No sublease will relieve the County from primary liability for any of its obligations under this Lease Agreement, and the County will continue to remain primarily liable for the payment of Basic Rent and for the observance and performance of all of the County's other agreements under this Lease Agreement in accordance with, and subject to, its terms, including without limitation, the non-appropriation provisions hereof.

(d) Each sublessee pursuant to this Section will, to the extent of the interest subleased to it, in writing (i) assume and agree to perform the obligations of the County under this Lease Agreement and (ii) agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Lease Agreement, the Assignment Agreement or otherwise).

(e) The County will promptly deliver executed counterparts of each sublease pursuant to this Section to the Authority and the Bondholder.

## **ARTICLE V. DAMAGE, DESTRUCTION OR CONDEMNATION**

### **Section 5.1 Damage or Destruction.**

(a) The County shall notify the Bondholder and the Authority immediately in the case of damage to or destruction from fire or other casualty of the Leased Property, or any portion thereof during the Lease Term in an amount that the County determines in good faith will cost more than \$100,000 to repair, reconstruct and restore. If the County determines in good faith that such cost will not exceed \$250,000, the County, shall (1) retain the Net Proceeds with respect to such damage or destruction, (2) forthwith repair, reconstruct and restore such portion of the Leased Property so damaged or destroyed to substantially the same condition as it had existed prior to the event causing such damage or destruction, and (3) apply Net Proceeds retained by it to the payment or reimbursement of the costs of such repair, reconstruction and restoration. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the County shall, subject to Section 4.5, pay so much thereof as is in excess of such Net Proceeds.

(b) If the Leased Property, or any portion thereof is damaged or destroyed by fire or other casualty during the Lease Term and the County determines in good faith that the cost of repairing, reconstructing and restoring such damage or destruction will exceed \$250,000 then the County shall, upon the following conditions and within 90 days after the date such damage or destruction occurs, elect one of the following two options by giving notice of such election to the Bondholder and the Authority, and the Bondholder shall disburse such Net Proceeds in accordance with the option so elected:

(1) **Option A - Repair and Restoration.** The County may elect to repair, reconstruct and restore the Leased Property. If the County elects this Option A, then the County shall proceed forthwith to repair, reconstruct and restore the Leased Property to substantially the same condition as had existed prior to the event causing such damage or

destruction, with such alterations and additions as the County may determine to be necessary or desirable and as will not impair the capacity or character of the Leased Property, for the purposes for which it had been used prior to such damage or destruction or is intended to be used. Upon any election of this Option A, the County and the Bondholder shall deposit all Net Proceeds held by it to such damage or destruction in a special account that shall be created by the Bondholder for the portion of the Leased Property as to which such Net Proceeds had been paid to the County. So long as the County is not in default under this Lease Agreement, the Bondholder, upon receipt of request of the County may apply so much as may be necessary of such Net Proceeds to payment of the cost of such repair, reconstruction and restoration, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such repair or reconstruction, the County shall pay, subject to Section 4.5, within 45 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds to the Bondholder. The County shall not by reason of the payment of such excess cost be entitled to any (A) interest in the Leased Property which it did not possess prior to such payment, (B) reimbursement from the Authority or the Bondholder, or (C) abatement or diminution of Basic Rent or Additional Rent.

(2) **Option B - Prepayment of Basic Rent.** The County may elect to have such Net Proceeds applied to the prepayment of all of the principal component of Basic Rent, plus interest accrued to the date of prepayment set forth in Section 4.3, and after such election the Bondholder shall (upon receiving such Net Proceeds) redeem the Bonds.

## **Section 5.2 Condemnation and Loss of Title.**

(a) In the case of a taking of all or any part of the Leased Property or any right therein under the exercise of the power of eminent domain or any loss of all or any part of the Leased Property because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a taking or loss, the party upon whom notice of such taking is served or with whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other and to the Bondholder. Each such notice shall describe generally the nature and extent of such condemnation, taking, loss, proceedings or negotiations. All obligations of the County under this Lease Agreement (except obligations to pay Basic Rent when due) shall terminate as to the Leased Property or portion thereof as to which there is a loss of title or which is condemned or taken when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the "**Termination Date**"). The County shall pay over to the Bondholder (and hereby irrevocably assigns, transfers and sets over to the Bondholder) all right, title and interest of the County in and to any Net Proceeds payable as to any such loss of title, condemnation or taking during the Lease Term. The Bondholder shall hold such Net Proceeds in accordance with the Bond Purchase Agreement for disbursement or use by the County in accordance with the option so elected:

(b) In the event of any such loss of title, condemnation or taking, the County shall, upon the following conditions and within 90 days after the termination date therefor, elect either or both of the following two options by giving notice of such election to the Bondholder and the Authority:

(1) **Option A - Repairs, Restoration and Improvements.** The County may elect to have the Net Proceeds as to such loss of title, condemnation or taking used to repair, restore or reconstruct the Leased Property as to which there has been a loss of title, condemnation or taking to substantially its condition prior to such loss of title, condemnation or taking. Upon any exercise of this Option A, the Bondholder and the County shall deposit any such Net Proceeds held by it in a special account that shall be created by the Bondholder for the Leased Property as to which such Net Proceeds had been paid to the Bondholder. So long as an Event of Default has not occurred and is not continuing, the Bondholder, upon receipt of request from the County shall apply so much as may be necessary of the Net Proceeds received by it on account of such loss of title, condemnation or taking to payment of such repair, reconstruction or restoration (either on completion thereof or as the work progresses). If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the County shall pay, subject to Section 4.5, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds to the Bondholder. The County shall not by reason of the payment of such excess cost be entitled to any (A) interest in the Leased Property which it did not possess prior to such payment, (B) reimbursement from the Authority or the Bondholder, or (C) abatement or diminution of the Basic Rent or additional rent, if any.

(2) **Option B - Prepayment of Basic Rent.** The County may elect to have the Net Proceeds payable as to any such loss of title, condemnation or taking applied to the prepayment of all of the principal component of Basic Rent, interest accrued to the date of prepayment as provided under Section 4.3 hereof, and, after such election, the Bondholder shall (upon receiving such Net Proceeds, to the extent and in the manner provided in the Bond Purchase Agreement and to the extent of such Net Proceeds) such Net Proceeds shall be used to redeem the Bonds or portion thereof available to be redeemed by such Net Proceeds.

(c) The Authority and the Bondholder shall, at the expense of the County cooperate fully with the County in the contest of any prospective or pending condemnation proceedings or in any contest over title with respect to the Leased Property, or any part thereof and shall, to the extent they may lawfully do so, permit the County to litigate, at the expense of the County in any such proceeding in the name and behalf of the Authority. In no event shall the Authority settle, or consent to the settlement of, any prospective or pending condemnation proceedings, or proceedings as to title, with respect to the Leased Property or any part thereof without the consent of the County.

**Section 5.3 Application of Net Proceeds.** The Authority hereby directs the Bondholder to make payments from the proceeds received to pay the costs described in Sections 5.1(b)(1) and 5.2(b)(1).

**ARTICLE VI.  
EVENTS OF DEFAULT AND REMEDIES**

**Section 6.1 Events of Default.**

(a) The following shall be “events of default” under this Lease Agreement, and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(1) Failure of the County to pay when due any payment of Basic Rent or Additional Rent;

(2) Failure of the County to pay when due any payment due under this Lease Agreement, other than payments under Sections 4.2 and 4.3, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days after notice is given, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; or

(3) Bankruptcy or insolvency of the County, the appointment of a receiver of the Leased Property or failure by the County to lift any execution or attachment on the Leased Property, or any portion thereof, which failure shall continue for a period of 60 days after written notice is given, or in the case of any such default that cannot with due diligence be cured within such 60 days period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder other than those set forth in Sections 4.2, 4.5, 4.6, 4.7, 4.9 and 4.10, the County shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the County as applicable. The County shall remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County, not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, failure by the County to pay when due any payment required to be made under this Lease Agreement or failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement resulting from failure of the Board of Supervisors to appropriate moneys for such purposes, as described in Section 4.5, shall not constitute an event of default. Upon any such failure to appropriate, the provisions of Article VII shall be applicable.

**Section 6.2 Remedies.** Whenever any event of default shall have happened and is continuing, the Authority or the Bondholder, as assignee of the Authority may take any one or more of the following remedial steps, without further demand or notice: (a) declare the entire unpaid principal balance of Basic Rent due and thereafter to become due through and including February 1, 2036, immediately due and payable; (b) reenter and take possession of any part or all of the Leased Property, with or without terminating this Lease Agreement, exclude the County from possession and sell or lease the County's leasehold estate in the Leased Property for the account of the County, holding the County liable for all Basic Rent and other payments due up to the effective date of such sale or lease and for the difference between the purchase price, rent and other amounts paid by the purchaser or lessee pursuant to such sale or lease and the rents, interest calculated pursuant to subparagraph (a) above, and the Basic Rent and other amounts payable by the County hereunder; or (c) take whatever action at law or in equity may appear necessary or desirable to collect the Basic Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Lease Agreement. In any of such cases, all rights and interests created or then existing in favor of the County as against the Authority hereunder shall cease and terminate, and the right to the possession of the Leased Property and all other rights acquired by the County hereunder shall revert to and revest in the Authority without any act of re-entry, or any other act of the Authority to be performed and without any right of the County of return, reclamation or compensation for moneys paid under this Lease Agreement as absolutely, fully and perfectly as if this Agreement and such payments had never been made; and in case of such default all payments theretofore made on this Lease Agreement are to be retained by and belong to the Authority as the agreed and reasonable rent of the Leased Property up to the time of such default. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited with the Bondholder and credited to the next required payment.

**Section 6.3 Reinstatement after Event of Default.** Notwithstanding the exercise by the Authority of any remedy granted by Section 6.2, unless the Authority shall have sold its leasehold estate in the Leased Property or shall have entered into an agreement providing for the re-letting of the Leased Property for at least one year, if the balance of the Basic Rent shall have been accelerated pursuant to Section 6.2(a) and all overdue Basic Rent, together with any interest thereon, and all Additional Rent shall have been paid, then the County's default under this Lease Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Lease Agreement shall be fully reinstated and all Basic Rent payments will be due and payable in accordance with Exhibit A, and the County shall be restored to the use, occupancy and possession of the Leased Property; provided, however, if all or any part of the Leased Property have been re-let for less than one year, the County shall not be restored to the use, occupancy and possession thereof until the end of such lease.

**Section 6.4 No Remedy Exclusive.** No remedy conferred by this Lease Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 6.5 No Additional Waiver Implied by One Waiver.** Failure by the Authority at any time to require performance by the County of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach or any such provision, or as a waiver of the provision itself.

**Section 6.6 Attorney's Fees and Other Expenses.** The prevailing party shall be entitled to reasonable fees of attorneys and other reasonable expenses in any action involved in the enforcement of any obligations under this Lease Agreement.

## **ARTICLE VII. TERMINATION OF LEASE**

**Section 7.1 Right to Terminate.** If as a result of failure of the Board of Supervisors to appropriate moneys for such purposes, any payments of Basic Rent or Additional Rent are not made when due, either party hereto or the Bondholder as assignee of the Authority shall have the right to terminate this Lease Agreement by giving notice of the exercise of its rights pursuant to this Section to the other party and the Bondholder. If the Authority terminates this Lease Agreement, its notice to the County and the Bondholder shall specify a date not sooner than 30 days and not later than 90 days thereafter for such termination.

**Section 7.2 Rights upon Termination.** Upon termination of this Lease Agreement, the Authority may exclude the County from possession of the Leased Property and sell or lease the County's leasehold estate in the Leased Property, in the manner provided by and subject to Section 6.2(b) and the County must comply with its covenant contained therein.

**Section 7.3 Reinstatement after Termination.** Notwithstanding any termination of this Lease Agreement in accordance with Section 7.1, this Agreement shall be fully reinstated, and the County shall be restored to the use, occupancy and possession of the Leased Property if the conditions set forth in Section 6.3 are satisfied.



**ARTICLE VIII.**  
**ASSIGNMENT AGREEMENT; AND AMENDMENTS**

**Section 8.1 Assignment Agreement.** Simultaneously with the execution of this Lease Agreement, the Authority has entered into the Assignment Agreement with the Bondholder. The County shall not be obligated to take any notice of any sale, assignment, pledge, mortgage, transfer or other disposition of any interest in this Lease Agreement by the Authority, unless such sale, assignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with the Assignment Agreement.

**Section 8.2 Covenants of the County.** The County acknowledges and confirms all covenants and representations set forth with respect to the County in the Bond Purchase Agreement and agrees to comply with all other obligations imposed upon it therein.

**Section 8.3 Assignment.** Simultaneously with the execution of this Lease Agreement, the Authority has entered into the Assignment Agreement by which the Authority assigns all of its rights in and to the Ground Lease and this Lease Agreement (except its rights to receive payment of its expenses and to receive notices) to the Bondholder for its benefit as the holder of the Bonds. The County hereby (a) consents to such assignments, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Bondholder to effect such assignment, (c) agrees to make all payments due to the Authority under this Lease Agreement directly to the Bondholder (except its rights to receive payment of its expenses, to receive indemnification, to receive notices and to give consents), subject to Section 4.5, and (d) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references herein to the Authority shall include the Bondholder for its benefit as the holder of the Bonds and its successors and assigns, whether or not specific reference is otherwise made to the Bondholder, unless the context requires otherwise.

Notwithstanding the foregoing, no such assignment or reassignment (other than pursuant to the Assignment Agreement) of any of the Authority's right, title or interest in this Lease Agreement or the Leased Property shall be effective unless and until the County shall have received a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for the holder of the Bonds, it shall thereafter be sufficient that a copy of the trust instrument or agency agreement is no longer in effect. During the Lease Term, the County shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code.

**Section 8.4 Amendments.** This Lease Agreement may not be amended or modified by the County and the Authority without the prior written consent of the Bondholder.

**Section 8.5 No Merger.** So long as any Basic Rent remains unpaid and unless the Bondholder otherwise consents in writing, the fee simple and the leasehold estates in and to the Leased Property shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the Bondholder, the County, any lessee or any third party.

## **ARTICLE IX. MISCELLANEOUS**

**Section 9.1 Notices.** Unless otherwise provided in this Lease Agreement, all demands, notices, approvals, consents, requests, opinions and other communications under this Lease Agreement must be in writing and will be deemed to have been given when delivered in person, or by an overnight delivery service or other express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (i) if to the Authority, c/o Floyd County Economic Development Authority Office, 120 West Oxford Street, Floyd, Virginia 24091 (Attention: Chairman), (ii) if to the County, c/o County Administration Office, 120 West Oxford Street, Floyd, Virginia 24091 (Attention: County Administrator) and (iii) if to the Bondholder, at Truist Bank / Branch Banking and Trust Company, 5130 Parkway Plaza Boulevard, Building #9, P.O. Box 31273 (28231) Charlotte, NC 28217 (Attention: Trina Britt, Assistant Vice President). A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given under this Lease Agreement by either the Authority or the County to the other will also be given to the Bondholder. The Authority, the County and the Bondholder may, by notice given under this Lease Agreement, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests, opinions or other communications are to be sent.

**Section 9.2 Severability.** If any provision of this Lease Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

**Section 9.3 Amounts Remaining Under Bond Purchase Agreement.** It is agreed by the parties to this Lease Agreement that any amount with respect to the Bonds remaining in any fund or account created under the Bond Purchase Agreement will, after payment of all amounts due from the County or the Authority pursuant to the Basic Agreements, belong to and be paid to the County.

**Section 9.4 Liability of Authority.** Notwithstanding any provision of the Bonds or the Basic Agreements to the contrary, the obligations of the Authority under the Bonds and the Basic Agreements are not general obligations of the Authority, but are limited obligations payable solely from payments of Basic Rent and Additional Rent, if any. No director or officer of the Authority shall be personally liable on the Authority's obligation hereunder. The Authority shall not be liable for the actions of the County, as its agent, or for any actions of the County under the Basic Agreements.

**Section 9.5 Successors and Assigns.** This Lease Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 9.6 Counterparts.** This Lease Agreement may be executed in any number of counterparts, each of which shall be an original, together shall constitute but one and the same Lease Agreement; except that as to delivery of the original executed copy of this Lease Agreement as required by the Assignment Agreement, the counterpart containing the receipt therefor executed by the Lender following the signatures to this Lease Agreement shall be the original.

**Section 9.7 Entire Agreement.** The Basic Agreements express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

**Section 9.8 Governing Law.** This Lease Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

*[Remainder of this Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, the parties have caused this Lease Agreement to be duly executed as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

COMMONWEALTH OF VIRGINIA )  
At Large )

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_\_ day of May, 2021, by \_\_\_\_\_, Chairman of the Economic Development Authority of Floyd County, Virginia.

My commission expires: \_\_\_\_\_.

My Notary Registration number is: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA )  
At Large )

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_\_ day of May, 2021, by \_\_\_\_\_, Chairman of the Board of Supervisors of the County of Floyd, Virginia.

My commission expires: \_\_\_\_\_.

My Notary Registration number is: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**RECEIPT**

Receipt of the foregoing original counterpart of the Lease Agreement, dated as of May 1, 2021, between the Economic Development Authority of Floyd County, Virginia and the County of Floyd, Virginia, is hereby acknowledged.

**TRUIST BANK**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**  
**Schedule of Lease Payments**

**ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA,  
\$5,150,000 LEASE REVENUE BOND, SERIES 2021A  
\$1,950,000 LEASE REVENUE BOND (TAXABLE), SERIES 2021B**

**BOND PURCHASE AGREEMENT**

Dated as of May 1, 2021

Economic Development Authority of  
Floyd County, Virginia  
Floyd, Virginia

County of Floyd, Virginia  
Floyd, Virginia

Ladies and Gentlemen:

Truist Bank (the “**Lender**”), hereby agrees to enter into this Bond Purchase Agreement (the “**Agreement**”) with the Economic Development Authority of Floyd County, Virginia (the “**Authority**”) and the County of Floyd, Virginia (the “**County**”) for a loan to the Authority for the benefit of the County evidenced by the purchase by the Lender and sale by the Authority of its \$5,150,000 Lease Revenue Bond, Series 2021A (the “**2021A Bond**”) and its \$1,950,000 Lease Revenue Bond (Taxable), Series 2021B (the “**2021B Bond**,” and, together with the **2021A Bond**, the “**Bonds**”), each dated as of May \_\_, 2021, such Bonds maturing in the years and amounts, with principal amortizing, subject to optional redemption, and bearing interest at the rates as set forth in the form of the 2021A Bond attached as Exhibit A-1 and the form of the 2021B Bond attached as Exhibit A-2. The 2021A Bond will be “tax-exempt” for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code.

The proceeds of the 2021A Bond will be utilized to finance a portion of capital needs for the County in connection with a radio communications system in the County (the “**2021A Project**”). The proceeds of the 2021B Bond will be utilized to finance a portion of capital needs for the County in connection with a shell building being developed in the County for economic development purposes (the “**2021B Project**”).

The Bonds will be secured by an Assignment Agreement, dated as of May 1, 2021 (“**Assignment Agreement**”), whereby the Authority, as assignor, assigns to the Lender, as assignee, the rights of the Authority under the Ground Lease (as defined below) and the Lease Agreement (as defined below) (except the right to receive payment of certain expenses, if any, to receive indemnification and to receive notices) and shall be payable, to the extent moneys are not otherwise available therefor, solely from revenues to be derived by the Authority from rental payments pursuant to a Lease Agreement, dated as of May 1, 2021 (the “**Lease Agreement**”). The



Authority and the County will enter into a Ground Lease, dated as of May 1, 2021, (the “**Ground Lease**”) providing for the lease to the Authority of the County administration building property (the “**Leased Property**”). Hereinafter the **Bonds, the Lease Agreement, the Ground Lease, the Assignment Agreement and this Bond Purchase Agreement shall be referred to as the “Documents.”**

**Section 1.     TERMS AND CONDITIONS**

Upon the terms and conditions and upon the basis of the representations set forth herein, the Lender hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Lender, the Bonds at the purchase price of 100% of the aggregate principal amount of such Bond (the “**Purchase Price**”) on the date of Closing referred to in Section 4 hereof. The Bonds shall be as described in, and shall have the terms and conditions, including but not limited to the payment dates for interest, principal and redemption or prepayment provisions, set forth in the form of the Bonds attached as **Exhibit A-1** and **Exhibit A-2** hereto and incorporated by this reference. The Bonds and all other documents providing for the issuance of the Bonds shall be in the forms heretofore delivered to us, with only such changes as shall be mutually agreeable to the Lender and the Authority. The Secretary of the Authority is appointed Registrar of the Bonds. Notwithstanding any other provision of this Agreement, the Bonds shall not be a general obligation of the Authority, but the obligations of the Authority to make payments of principal, premium, if any, and interest on the Bonds shall be in accordance with Article IV of the Lease Agreement, and, in all respects, funds of the Authority pledged to payment of debt service on the Bonds shall be subject to appropriation by the Board of Supervisors of the County from time to time. The Bonds shall not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the County and the Authority, other than as the limited obligation of the Authority.

**Section 2.     REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY**

The Authority represents, warrants and agrees with the Lender that:

(a) the Authority is, and will be at Closing (as defined below), duly organized and validly existing as an industrial development authority under the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “**Act**”) and has the power and authority (1) to issue, sell and deliver the Bonds to the Lender as provided herein and (2) to consummate all transactions contemplated by, and perform its obligations under, the Documents.

(b) when delivered to, and paid for by, the Lender at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered;

(c) the adoption of the resolution authorizing the Bonds and the execution and delivery of the Documents and compliance with the provisions thereof, under the

circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, including, without limitation, the Act, the ordinances or resolutions creating the Authority, the Authority's Bylaws or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or determination of any court, regulatory agency or other governmental unit by which the Authority is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the Authority is a party or by which the Authority may be bound;

(d) the Authority has duly authorized, executed and delivered, and approved the performance by the Authority of its obligations contained in the Documents;

(e) prior to the Closing, all approvals, consents and orders, if any, of any governmental authority, board, agency or commission having jurisdiction over the Authority which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Bonds have been obtained;

(f) no suit, action, proceeding or investigation is pending or, to the knowledge of the Authority, threatened against or affecting any of the Authority's properties, or against or affecting the Authority, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the Authority, (ii) the execution and delivery by the Authority of the Documents, (iii) the performance by the Authority of its obligations under the Documents, (iv) the validity or enforceability of the Documents or the transactions contemplated thereby, (v) the title or authority of any Authority officials executing the Documents or other documents relating to the transactions contemplated thereby, or (vi) any authority or proceeding relating to the execution and delivery of the Documents on behalf of the Authority;

(g) no set of facts exists that, either immediately upon execution and delivery of any of the Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any the Documents;

(h) as of the Closing, the Authority will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Lender;

(i) The Authority has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds pledged under the Lease Agreement except the pledge, lien and charge for the security of the Bonds, and covenants and agrees not to sell or allow the creation of any lien, encumbrance or charge upon such revenues and funds, until payment in full, or except in

connection with financing or other action to accomplish the payment in full, of all interest, premium, if any, and principal of the Bonds; and

(j) the representations and agreements of the Authority herein will be true and correct in all material respects as of the Closing.

**Section 3. REPRESENTATIONS AND WARRANTIES OF THE COUNTY**

The County represents, warrants and agrees with the Lender that:

(a) the County has the power and authority to consummate all transactions contemplated by, and perform its obligations under and as contemplated by, the Documents;

(b) the adoption of the resolution authorizing the Documents and the execution and delivery of the Documents and compliance with the provisions thereof, under the circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or determination of any court, regulatory agency or other governmental unit by which the County is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the County is a party or by which the County may be bound;

(c) the County has duly authorized, executed and delivered, and approved the performance by the County of its obligations contained in the Documents;

(d) prior to the Closing, all approvals, consents and orders, if any, of any governmental authority, board, agency or commission having jurisdiction over the County or the Projects which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the other Documents have been obtained;

(e) no suit, action, proceeding or investigation is pending nor, to the knowledge of the County, threatened against or affecting any of the Authority's or the County's properties, or against or affecting the Authority or the County, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby or by the other Documents, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the County, (ii) the execution and delivery by the County of the Documents, (iii) the performance by the County of its obligations under the Documents, (iv) the validity or enforceability of the Documents, the Bond or the transactions contemplated thereby, (v) the title or authority of any Authority or County officials executing the Documents, the Bonds or other documents relating to the

transactions contemplated thereby, (vi) any authority or proceeding relating to the execution and delivery of the Documents or the Bonds on behalf of the Authority or the County, (vii) any authority of the County to pay Basic Rent or Additional Rent (as defined in the Lease Agreement) or to perform the County's obligations under the Documents or (viii) that will materially or adversely affect the County's financial condition or ability to operate;

(f) no set of facts exists that, either immediately upon execution and delivery of any of the Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any of such Documents;

(g) as of the Closing, the County will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Lender;

(h) the County has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds, including but not limited to, the Basic Rent under the Lease except the pledge, lien and charge for the security of the Bonds; and

(i) the representations and agreements of the County herein will be true and correct in all material respects as of the Closing.

#### **Section 4. CLOSING**

At 10:00 a.m., Richmond, Virginia time, on May \_\_, 2021 or at such other time or date as the Authority, the County and the Lender shall mutually agree upon, the Authority will deliver or cause to be delivered to the Lender, at the offices of Sands Anderson, PC, Richmond, Virginia ("**Bond Counsel**"), or at such other place as the Authority, the County and the Lender may mutually agree upon, the Bonds in registered form, duly executed by the Authority and the documents in subsection 5(b) hereof. Concurrently with the notification to the Lender that delivery of the Bonds has been made (**the "Closing"**), the Lender will accept such delivery and will cause the payment to the Authority, by immediately available funds, of the Purchase Price of the Bonds, as set forth in the Closing Memorandum prepared by Davenport & Company dated as of May \_\_, 2021 (**the "Closing Memo"**).

#### **Section 5. CONDITIONS PRECEDENT TO CLOSING**

The Lender has entered into this Agreement in reliance upon the Authority's representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Lender's obligations under this Agreement are and shall be subject to the following further conditions:

(a) at the time of Closing, the Documents have been duly adopted or executed and delivered by the parties thereto and shall be in full force and effect and the Documents shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Lender, and the Authority shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and thereby;

(b) at the Closing, the Lender shall receive in addition to the Documents, the following:

(1) (A) the approving opinion, dated the date of Closing, in form and substance satisfactory to the Lender, of Bond Counsel (including an opinion that the 2021A Bond is a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code); and (B) the opinion of the Authority Counsel and the County Attorney, in the forms attached hereto as **Exhibit B and Exhibit C**, with such changes in such opinion as Bond Counsel and the Lender shall approve;

(2) Such additional legal opinions, certificates, proceedings, instruments, and other documents, as the Lender or Bond Counsel may reasonably request to evidence (A) compliance by the Authority with legal requirements relating to the issuance of the Bonds or the representations set forth in the Tax and Non-Arbitrage Certificate relating to the 2021A Bond, (B) the truth and accuracy, as of the date of Closing, of all representations herein contained, and (C) the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Agreement; and

(3) the Authority Resolution and the County Resolution, each approving the terms of this Agreement and authorizing this financing.

If the Authority shall be unable to satisfy the conditions to the Lender’s obligations contained in this Agreement or if the Lender’s obligations shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate, and neither the Authority nor the Lender shall have any further obligations hereunder, except that (i) the representations and warranties of the Authority set forth in Section 2 herein (as of the date made) will continue in full force and effect.

**Section 6. DISBURSEMENTS OF BOND PROCEEDS**

At Closing, the Bank will wire in immediately available funds, a portion of the Purchase Price of the Bonds to pay the costs of issuance of the Bonds, as set forth in the Closing Memorandum prepared by the Financial Advisor. The remaining monies from the Purchase

Price of the 2021A Bond, if any, will be deposited in a separate and distinct account established by the County [in the Virginia State Nonarbitrage Program] and disbursed to pay costs of the 2021A Projects and any remaining costs of issuance of the Bonds. The remaining monies from the Purchase Price of the 2021B Bond, if any, will be deposited in a separate and distinct account established by the County.

**Section 7. EXPENSES AND COSTS**

The expenses and costs of the Authority incident to the issuance of the Bonds, including the fees and expenses of Bond Counsel, Authority Counsel, County Attorney and the County's Financial Advisor, shall be paid from the proceeds of the Bonds or by the County.

**Section 8. FINANCIAL STATEMENTS**

The County shall furnish to the Lender, annually during the term of the Bonds, with financial statements of the County as soon as available but no later than 270 days after the end of the County's fiscal year, commencing with the fiscal year ending June 30, 2021. Such financial statements must be in a form and degree reasonably acceptable to the Lender and prepared in accordance with generally accepted accounting principles.

**Section 9. OPTIONAL PREPAYMENT**

[option to be selected by BOS chair] [The County may, at any time at its option, make prepayments in whole only of all then outstanding principal components of Basic Rent corresponding to one or both Bonds, upon fifteen (15) business days' prior written notice to the Lender, upon payment of interest accrued to the redemption date and 101% of the outstanding principal amount of the Bonds.] [The Bonds are not subject to redemption prior to August 1, 2028. The Bonds are subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time on or after August 1, 2028, in whole only, upon fifteen (15) business days' prior written notice to the Lender, upon payment of interest accrued to the redemption date and 100% of the outstanding principal amount of the Bonds.]

**Section 10. NOTICES**

Any notice or other communication to be given to the parties under this Agreement shall be in writing and shall be deemed delivered if delivered in person or sent by certified mail, return receipt requested, to the parties as follows: if to the Authority, at its address set forth above; and if to the Lender, to Truist Bank, 5130 Parkway Plaza Boulevard, Building #9, Charlotte, NC 28217 (Attn: Trina Britt, Assistant Vice President).

**Section 11. LIMITED BENEFIT; SURVIVABILITY**

This Bond Purchase Agreement is made solely for the benefit of the Authority, the

County and the Lender (including the successor or assigns of the Lender), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Authority, the County and the Lender in this Agreement shall survive the delivery of and payment for the Bonds.

**Section 12. APPLICABLE LAW**

The rights and obligations of the parties to this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, exclusive of its conflicts of laws provisions.

**Section 13. APPROVAL**

The approval of the Lender when required hereunder, or the determination of its satisfaction as to any document referred to herein, shall be in writing signed by the Lender and delivered to the Authority and the County.

**Section 14. ENTIRE UNDERSTANDING AND AMENDMENTS**

This Agreement expresses the entire understanding and agreement of the parties with respect to the Bonds, superseding all prior agreements, whether oral or written, and may not be modified, except in writing, signed by the Lender, the County and the Authority.

Very truly yours,

**TRUIST BANK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

ACCEPTED AND APPROVED:

**ECONOMIC DEVELOPMENT AUTHORITY OF  
FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

ACCEPTED AND APPROVED:

**COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_  
Chairman, Board of Supervisors



**EXHIBIT A-1**

Form of 2021A Bond

**EXHIBIT A-2**

Form of 2021B Bond

**EXHIBIT B**

**Form of Authority Counsel Opinion**

**EXHIBIT C**

**Form of County Attorney Opinion**

Tax Map Parcel Number: \_\_\_\_

7.b.5.

**EXEMPT FROM CLERK'S FEE PURSUANT TO VIRGINIA CODE SECTION 17.1-266**

**EXEMPT FROM RECORDATION TAXES PURSUANT TO VIRGINIA CODE  
SECTION 58.1-811.E**

**ASSIGNMENT AGREEMENT**

**THIS ASSIGNMENT AGREEMENT**, dated as of May 1, 2021, between the **ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA** a political subdivision of the Commonwealth of Virginia (the **"Assignor"**) as grantor for indexing purposes and **TRUIST BANK**, its successors or assigns as bondholder of the Bond (as described below) (the **"Assignee"**) as grantee for indexing purposes;

**W I T N E S S E T H:**

**WHEREAS**, the Assignor and the County of Floyd, Virginia (the **"County"**) have entered into a Ground Lease dated as of the date hereof which provides that certain Leased Property, as defined therein, is leased by the County to the Assignor;

**WHEREAS**, the Assignor, the County and the Assignee (the **"Assignee"**) have entered into a Bond Purchase Agreement, dated as of the date hereof (the **"Bond Purchase Agreement"**), which provides for the issuance of the Assignor's \$5,150,000 Lease Revenue Bond, Series 2021A (the **"2021A Bond"**) and its \$1,950,000 Lease Revenue Bond, Series 2021B (Taxable) (the **"2021B Bond,"** and, together with the 2021A Bond, the **"Bonds"**) payable from certain payments by the County for rent thereunder (**"Basic Rent"** and, as applicable, **"Additional Rent"**) for the lease of the Leased Property and as described in a Lease Agreement, dated as of the date hereof, between the Assignor and the County (the **"Lease Agreement,"** together with the Ground Lease, this Assignment Agreement and the Bond Purchase Agreement, the **"Basic Agreements"**);

**WHEREAS**, the proceeds of the 2021A Bond will be used to finance a new radio communications system in the County (the **"2021A Project"**), and the proceeds of the 2021B Bond will be used to finance a shell building to be developed for economic development purposes in the County (the **"2021B Project,"** and, together with the 2021A Project, the **"Projects"**) and pay costs of issuance of the Bonds; and

**WHEREAS**, the Ground Lease, dated as of May 1, 2021 between the County and the Assignor (the **"Ground Lease"**) provides for the County to lease the County administration building property (the **"Leased Property"**) to the Assignor, and, the Lease Agreement provides for the Assignor to lease the Leased Property to the County and the County to lease the same from the Assignor.

Prepared by and return to:  
Daniel M. Siegel, Esquire  
Sands Anderson, PC  
P. O. Box 1998  
Richmond, VA 23218-1998  
(804) 648-1636  
VSB # 20523

**NOW, THEREFORE,** for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the receipt of which is acknowledged, the Assignor sells, assigns and delivers to the Assignee, its successors and assigns, all of its rights under the Ground Lease and the Lease Agreement (except the right to receive payment of its expenses, if any, to receive indemnification and to receive notices) as they may be amended from time to time pursuant to their terms, including, without limitation, its rights to (a) receive payments of Basic Rent and certain Additional Rent, (b) receive proceeds of condemnation of, and insurance on, the Leased Property, (c) re-enter and take possession of the Leased Property in the event of non-appropriation of Basic Rent or Additional Rent by the Board of Supervisors of the County and sell or lease the Leased Property, (d) exercise remedies of the Assignor upon default by the County under the Lease Agreement or a failure to appropriate and (e) all rights, interest and privileges which Assignor, as lessor, has and may have in oral or written leases now existing or hereafter made or affecting all or any part of the Leased Property, as such leases may have been, or from time to time hereafter, may be, modified, extended and renewed, with all rents, income and security deposits and profits due and becoming due therefrom including Assignor's rights, interests and privileges in any rents, income or profits derived from any subleases of the Leased Property and all rights and remedies of Assignor upon the occurrence of a default thereunder or a failure of the County to appropriate funds to make payments under the Lease Agreement. Such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise), or to perform any of its responsibilities or duties under the Lease Agreement or the Bond Purchase Agreement or any other documentation pertaining to the issuance of the Bond.

All moneys received by the Assignee pursuant to this Assignment Agreement shall be applied toward payment of the Bond, first to interest due and payable thereunder, then to principal due and payable thereunder. Upon repayment of the Bond, in full, and any other obligations of the County under the Lease Agreement or the Bond Purchase Agreement, all payments shall be paid to the County and this Assignment Agreement shall be terminated.

The Assignor irrevocably constitutes and appoints the Assignee, or any present or future officer or agent of the Assignee, or the successors or assigns of the Assignee, as its lawful attorney, with full power of substitution and resubstitution, in the name of the Assignor or otherwise, to collect and to sue in any court for payments due from the County under the Lease Agreement, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease Agreement upon any terms, all without notice to or consent of the Assignor, and to take possession of and to endorse in the name of the Assignor any instrument for the payment of money received on account of the payments due from the County under the Lease Agreement.

The Assignee accepts such assignment as stated herein for its benefit as holder of the Bond.

The Assignor authorizes and directs the County, or its successors and assigns, to pay to the Assignee, or its successors and assigns, all Basic Rent and Additional Rent payments due or to become due under the Lease Agreement from and after the date of this Assignment Agreement by forwarding such payments to the Assignee at the following address:

Truist Bank  
5130 Parkway Plaza Boulevard, Building #9  
P.O. Box 31273 (28231)  
Charlotte, NC 28217  
(Attn: Trina Britt, Assistant Vice President)

Subsequent successors and assigns of the Assignee shall notify the Assignor and the County of the appropriate address or addresses for payments of all Basic Rent due or to become due under the Lease Agreement.

The Assignor covenants that, notwithstanding this Assignment Agreement, it will perform all of the Assignor's duties and obligations under the Ground Lease and the Lease Agreement, including its obligation to provide possession of the Leased Property to the County pursuant to Section 3.1 of the Lease Agreement and to transfer, convey and assign its leasehold estate to the County upon payment by the County of all payments due and to become due under the Lease Agreement pursuant to Section 4.12 thereof.

The Assignor shall deliver to the Assignee the original executed Ground Lease and Lease Agreement, and the Assignee shall at all reasonable times have full access to the books and records of the Assignor relating to the Ground Lease and Lease Agreement and payments due from the County under the Lease Agreement and to make extracts from such books and records.

The Assignor will make, execute and deliver any papers, instruments and documents that may be required by the Assignee, or its successors or assigns, to effectuate the purpose intended by this Assignment Agreement.

The assignment effected is absolute and shall not be construed to create a lien on or a security interest in the Basic Rent for any indebtedness or other obligation of any person. The Assignor waives any right, legal or equitable, now existing or hereafter arising, to offset against, attach, levy upon, enjoin or otherwise delay or disrupt any Basic Rent that may be owing to the Assignee on account of any claim or obligation between the Assignor and the Assignee or the County.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the leases hereby assigned, included but not limited to the Lease Agreement.

Assignor covenants and represents that, except as contemplated by the Basic Agreements no other assignment of any interest in the leases hereby assigned has been made, and that, except as provided for in the Lease Agreement, including but not limited to modifications relating to the Bond or any Additional Bond (as defined in the Lease Agreement), the Assignor will not hereafter amend, alter, modify, cancel, surrender or terminate any of the leases, exercise any option which might lead to any such amendment, alteration, modification, cancellation, surrender or termination or consent to the release of any party liable thereunder or to the assignment of the

interest of any lessee or sublessee or to any subletting without the prior written consent of Assignee.

Assignor hereby authorizes Assignee to give notice in writing of this Assignment at any time to any lessee or sublessee under any of the leases hereby assigned.

The full performance of the Bond and the Basic Agreements according to its terms shall render this Assignment Agreement void.

The net proceeds collected by Assignee under the terms of this instrument shall be applied in reduction of the entire indebtedness from time to time outstanding.

This Assignment Agreement applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns.

Notwithstanding anything contained in this Assignment Agreement to the contrary, all of the obligations of the Assignor hereunder shall be nonrecourse obligations, and the owner of the Bond and the Assignee shall look solely to Assignor's interest in the Leased Property for the satisfaction of any and all remedies they may have against the Assignor upon a default under one or more of the Basic Agreements. Neither the owner of the Bond nor the Assignee shall enforce or attempt to enforce any deficiency or other personal money judgment against the Assignor with respect to the obligations of the Assignee under the Bond and the Basic Agreements.

All capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease Agreement.

Upon payment of the principal and interest portion of the Bond attributable to the Leased Property by the Authority to the Assignee, the lien of the Assignee as bondholder on such Leased Property shall be released.

This Assignment Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

The Ground Lease, the Lease Agreement, the Bond Purchase Agreement, the Bond and this Assignment Agreement express the entire understanding and all agreements between all the parties and may not be modified except in writing signed by the parties.

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



**IN WITNESS WHEREOF**, the Assignor and the Assignee have caused this Assignment Agreement to be duly executed as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA, as  
ASSIGNOR**

By: \_\_\_\_\_  
Chairman

COMMONWEALTH OF VIRGINIA     )  
AT LARGE                             )

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_ day of May, 2021 by \_\_\_\_\_, as Chairman of the Economic Development Authority of Floyd County, Virginia.

My commission expires: \_\_/\_\_/\_\_

My Notary Registration number is: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**TRUIST BANK, as ASSIGNEE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA     )  
AT LARGE                             )

The foregoing instrument was acknowledged before me in the County/City of \_\_\_\_\_,  
\_\_\_\_\_, this \_\_\_\_ day of May, 2021, by \_\_\_\_\_, as \_\_\_\_\_, as  
Assignee.

My commission expires: \_\_/\_\_/\_\_

My Notary Registration number is: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**NOTICE OF ASSIGNMENT**

The undersigned acknowledges receipt of notice of the assignment by the Assignor of its rights in the Ground Lease and Lease Agreement to the Assignee as set forth in the foregoing Assignment Agreement and consents thereto.

**COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA       )  
  )  
AT LARGE   )

The foregoing instrument was acknowledged before me in the County of Floyd, Virginia, this \_\_\_\_ day of May, 2021, by \_\_\_\_\_, as Chairman of the Board of Supervisors of the County of Floyd, Virginia.

My commission expires: \_\_\_/\_\_\_/\_\_\_

My Notary Registration number is: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

REGISTERED

No. RA-1

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA

\$5,150,000 Lease Revenue Bond, Series 2021A

INTEREST RATE  
2.43%

MATURITY DATE  
February 1, 2036

DATED DATE  
May \_\_, 2021

**REGISTERED OWNER: TRUIST BANK**

PRINCIPAL AMOUNT: FIVE MILLION ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$5,150,000.00)

The ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in Schedule A attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each February 1 and August 1, beginning August 1, 2021 at the annual rate stated above. The interest rate shall be subject to adjustment upon a Determination of Taxability (as defined below). The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (the "Bondholder") at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the Commonwealth are authorized to close.

Upon a Determination of Taxability (as defined below), the interest rate on this Bond shall be automatically adjusted to the Taxable Rate (as defined below) from the Date of Taxability (as defined below). For purposes of this Bond, the following terms have the following meanings:

“Date of Taxability” means the earliest date as of which interest on this Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder notifies the Authority that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability (as defined below) has occurred unless, within 180 days after receipt by the Authority of such notification from such Bondholder, the Authority shall deliver to the Bondholder (A) a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings by the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Authority shall receive notice from the Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder the interest on this Bond due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the County or the Authority have been afforded the opportunity, at the sole expense of the County, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder, the Authority shall immediately reimburse such Bondholder for any payments such Bondholder shall be obligated to make as a result of the Determination of Taxability during any such contest.

"Event of Taxability" means the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Bond which has the effect of (1) causing interest paid or payable on this Bond to become includable, in whole or in part, in the gross income of the Bondholder for federal income tax purposes or (2) causing this Bond to no longer qualify as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

"Taxable Rate" means the interest rate per annum that shall provide the Bondholder with the same after tax yield that the Bondholder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Bondholder as a result of such Determination of Taxability. The Bondholder shall provide the Authority with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Authority.

This Bond is issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (**the "Act"**), and in accordance with the terms of a Bond Purchase Agreement, dated as of May 1, 2021 (**the "Bond Purchase Agreement"**) among the County, the Authority and Truist Bank (**in such capacity, the "Lender"**). This Bond is secured by an Assignment Agreement, dated as of May 1, 2021 (**the "Assignment Agreement"**) for the purposes of financing a portion of capital needs for the County in connection with a radio communications system in the County (**the "Project"**) and to pay certain costs and expenses incurred in connection with the issuance of this Bond.

Certain property securing this Bond (**the "Leased Property"**) has been leased to the Authority pursuant to a Ground Lease, dated as of May 1, 2021 (**the "Ground Lease"**), between the Authority and the County and, in turn, the Leased Property has been leased by the Authority to the County pursuant to a Lease Agreement, dated as of May 1, 2021 (**the "Lease Agreement"**), between the Authority and the County, wherein the County has agreed to pay Basic Rent and Additional Rent, if any, to the Authority. The Authority has assigned to the Bondholder in the Assignment Agreement its right to receive all Basic Rent and Additional Rent and certain other rights under the Lease Agreement. Reference is made to the Bond Purchase Agreement, the Assignment Agreement, the Ground Lease and the Lease Agreement for a description of, among other things, the nature and extent of the security and the terms on which this Bond is issued.

**The obligation of the County to make payments under the Lease Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys to make such payments. The County has covenanted in the Lease Agreement that the County Administrator shall include in the County's annual budget the amount of payments under such Lease Agreement, but the Board of Supervisors is not obligated to make appropriations for such purpose. The Authority shall not have any obligation or liability to the registered owner hereof with respect to the County's obligations to make payments under the Lease Agreement or with respect to the performance by the County of any other**

**covenant contained therein.**

[option to be selected by BOS chair][This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time, in whole only, upon fifteen (15) business days' prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 101% of the outstanding principal amount of this Bond.][This Bond is not subject to redemption prior to August 1, 2028. This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time on or after August 1, 2028, in whole only, upon fifteen (15) business days' prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 100% of the outstanding principal amount of the Bond.]

THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE LEASE AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF FLOYD, VIRGINIA (THE "COUNTY") AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.

NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

The Bondholder shall not be required to present or surrender this Bond as a condition of receiving any payment due hereunder.

The Authority has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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



**IN WITNESS WHEREOF**, the Economic Development Authority of Floyd County, Virginia has caused this Bond to be signed by the manual signature of its Chairman or Vice Chairman, its seal to be impressed hereon and attested by the manual signature of its Secretary/Treasurer, and this Bond to be dated May \_\_, 2021.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_ (SEAL)  
Chairman

Attest:

\_\_\_\_\_  
Secretary/Treasurer

**ASSIGNMENT**

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

\_\_\_\_\_  
(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING POSTAL ZIP  
CODE OF TRANSFEREE)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER TAX  
IDENTIFICATION NUMBER OF ASSIGNEE: [ \_\_\_\_\_ ]

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing  
\_\_\_\_\_, Attorney, to transfer said Bond on the books for the registration  
thereof, with full power of substitution in the premises.

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
Holder and Assignor

**SCHEDULE A**

REGISTERED

No. RB-1

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA

**\$1,950,000 Lease Revenue Bond (Taxable), Series 2021B**

INTEREST RATE  
3.07%

MATURITY DATE  
February 1, 2036

DATED DATE  
May \_\_, 2021

**REGISTERED OWNER: TRUIST BANK**

PRINCIPAL AMOUNT: ONE MILLION NINE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$1,950,000.00)

The **ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**Authority**”), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in Schedule A attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each February 1 and August 1, beginning August 1, 2021 at the annual rate stated above. The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (the “**Bondholder**”) at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the Commonwealth are authorized to close.

This Bond is issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “**Act**”), and in accordance with the terms of a Bond Purchase Agreement, dated as of May 1, 2021 (the “**Bond Purchase Agreement**”) among the County, the Authority and Truist Bank (in such capacity, the “**Lender**”). This Bond is secured by an Assignment Agreement, dated as of May 1, 2021 (the “**Assignment Agreement**”) for the purposes of financing a portion of capital needs for the County in connection with a shell building being developed in the County for economic development purposes (the “**Project**”) and to pay certain costs and expenses incurred in connection with the issuance of this Bond.

Certain property securing this Bond (the “Leased Property”) has been leased to the Authority pursuant to a Ground Lease, dated as of May 1, 2021 (the “Ground Lease”), between the Authority and the County and, in turn, the Leased Property has been leased by the Authority to the County pursuant to a Lease Agreement, dated as of May 1, 2021 (the “Lease Agreement”), between the Authority and the County, wherein the County has agreed to pay Basic Rent and Additional Rent, if any, to the Authority. The Authority has assigned to the Bondholder in the Assignment Agreement its right to receive all Basic Rent and Additional Rent and certain other rights under the Lease Agreement. Reference is made to the Bond Purchase Agreement, the Assignment Agreement, the Ground Lease and the Lease Agreement for a description of, among other things, the nature and extent of the security and the terms on which this Bond is issued.

**The obligation of the County to make payments under the Lease Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys to make such payments. The County has covenanted in the Lease Agreement that the County Administrator shall include in the County’s annual budget the amount of payments under such Lease Agreement, but the Board of Supervisors is not obligated to make appropriations for such purpose. The Authority shall not have any obligation or liability to the registered owner hereof with respect to the County’s obligations to make payments under the Lease Agreement or with respect to the performance by the County of any other covenant contained therein.**

[option to be selected by BOS chair][This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time, in whole only, upon fifteen (15) business days’ prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 101% of the outstanding principal amount of this Bond.][This Bond is not subject to redemption prior to August 1, 2028. This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time on or after August 1, 2028, in whole only, upon fifteen (15) business days’ prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and 100% of the outstanding principal amount of the Bond.]

THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE LEASE AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF FLOYD, VIRGINIA (THE “COUNTY”) AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL

BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.

NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

The Bondholder shall not be required to present or surrender this Bond as a condition of receiving any payment due hereunder.

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

**IN WITNESS WHEREOF**, the Economic Development Authority of Floyd County, Virginia has caused this Bond to be signed by the manual signature of its Chairman or Vice Chairman, its seal to be impressed hereon and attested by the manual signature of its Secretary/Treasurer, and this Bond to be dated May \_\_, 2021.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_ (SEAL)  
Chairman

Attest:

\_\_\_\_\_  
Secretary/Treasurer

**ASSIGNMENT**

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

\_\_\_\_\_  
(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING POSTAL ZIP  
CODE OF TRANSFEREE)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER TAX  
IDENTIFICATION NUMBER OF ASSIGNEE: [ \_\_\_\_\_ ]

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing  
\_\_\_\_\_, Attorney, to transfer said Bond on the books for the registration  
thereof, with full power of substitution in the premises.

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
Holder and Assignor



**SCHEDULE A**

7.C.1

**RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF FLOYD, VIRGINIA  
(SKYLINE COMPONENT)**

**WHEREAS**, the Board of Supervisors (the **“Board of Supervisors”**) of the County of Floyd, Virginia (the **“County”**) directed Davenport & Company LLC (the **“Financial Advisor”**) to prepare and distribute a Request for Proposals (the **“RFP”**) to obtain financing proposals to finance various County capital needs;

**WHEREAS**, the Financial Advisor reviewed responses to the RFP for the financing of the Projects (as defined below) and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommends that the Board of Supervisors accept the proposal dated April 6, 2021 (the **“Proposal”**) from Skyline National Bank (the **“Lender”**) for such financings with interest rates as set forth in such Proposal and subject to such other terms as set forth therein;

**WHEREAS**, the Board of Supervisors has requested the Economic Development Authority of Floyd County, Virginia (the **“Authority”**) (a) issue, offer and sell its revenue bond in an amount of approximately \$400,000 (the **“2021C Bond”**) to finance a new recreation building and office renovation for County facilities (the **“2021C Project”**), (b) issue, offer and sell its revenue bond in an amount of approximately \$625,000 (the **“2021D Bond”**) to finance fire and rescue vehicles and equipment for County use (the **“2021D Project”**) (c) issue, offer and sell its revenue bond in an amount of approximately \$475,000 (the **“2021E Bond,”** and together with the 2021C Bond and the 2021D Bond, the **“Bonds”**) to finance vehicles and equipment for County use, including a garbage truck and an ambulance (the **“2021E Project,”** and, together with the 2021C Project and the 2021D Project, the **“Projects”**) and, (d) secure the Bonds by payments made by the County under a Financing Agreement, dated as of May 1, 2021, between the Authority and the County (the **“Financing Agreement”**), which assigns to the Lender, as security for the Bonds, the Authority’s rights under the Financing Agreement (except for the Authority’s rights under the Financing Agreement to the payment of certain fees and expenses and the right to receive notices), all in accordance with a Bond Purchase Agreement (as defined below);

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

- a. a Bond Purchase Agreement, dated as of May 1, 2021 among the Authority, the County and the Lender, pursuant to which the Bonds are to be issued (the **“Bond Purchase Agreement”**);
- b. the Financing Agreement securing the Bonds; and
- c. a specimen 2021C Bond, specimen 2021D Bond and specimen 2021E Bond.

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FLOYD COUNTY, VIRGINIA:**

1. The following plan for financing the Projects is approved. The Authority shall use the proceeds from the issuance of the Bonds to provide for the financing of the Projects. The obligation of the Authority to pay principal and interest on the 2021C Bond, the 2021D Bond and the 2021E Bond will be limited to payments received from the County under the Financing Agreement. The obligation of the County to make payments under the Financing Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bonds and as a statement of its intent to consider the appropriation of funds sufficient to make payments under the Financing Agreement annually during the term thereof. The issuance of the Bonds on the terms set forth in the Bond Purchase Agreement is hereby approved.

2. The Authority is hereby requested to undertake the issuance of the Bonds, to loan the proceeds of the Bonds for the financing of the Projects and to secure the Bonds as set forth in the Documents.

3. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments due under the Financing Agreement and hereby recommends that future Boards of Supervisors do likewise during the term of the Financing Agreement. The Projects are hereby declared to be essential to the efficient operation of the County and the Board of Supervisors anticipates that the Projects will continue to be essential to the operation of the County during the term of the Financing Agreement and the term of the Bonds.

4. The Chairman or Vice Chairman of the Board of Supervisors (**the "Chairman"**) is authorized and directed to execute or approve the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

5. The Documents shall provide for payments in amounts equivalent to the payments on the Bonds, which shall be sold to the Bank with the payments corresponding to the following terms of the Bonds: (a) the 2021C Bond in the principal amount not to exceed \$400,000, with a fixed interest rate not to exceed 2.89%, for an amortization of approximately 15 years from its date of issuance, (b) the 2021D Bond in the principal amount not to exceed \$625,000, with a fixed interest rate not to exceed 2.74%, for an amortization of approximately 10 years from its date of issuance, and (c) the 2021E Bond in the principal amount not to exceed \$475,000, with a fixed interest rate not to exceed 1.85%, for an amortization of approximately 5 years from its date of issuance, and (d) all such Bonds being subject to optional redemption without any redemption premium at any time, and each subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of

his approval of the same. Following the sale of the Bonds, the Chairman shall evidence his approval of the final terms and purchase price of the Bonds by executing the Bond Purchase Agreement. The actions of the Chairman in approving the terms of the Bonds by executing the Bond Purchase Agreement shall be conclusive, and no further action shall be necessary on the part of the Board of Supervisors.

6. The Chairman, Clerk of the Board of Supervisors, County Administrator, the County Treasurer, the County Attorney and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, the Financial Advisor, Bond Counsel, the Bank and its representatives to perform all services and prepare and execute all documentation necessary to sell the Bonds, including approving the final forms of the Documents, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Projects.

7. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds.

8. The County hereby designates the Bonds and allocates to the Authority in relation to the issuance of the Bonds, such designation as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2021 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations for the benefit of the County pursuant to Section 265(b)(3) of the Code during such calendar year.

9. All costs and expenses in connection with the financing of the Projects and the issuance of the Bonds, including the Authority's fees and expenses and expenses of bond counsel, the County Attorney, the County's Financial Advisor, counsel for the Authority, and the Bank shall be paid from the proceeds of the Bonds or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

10. All other acts of the Chairman and such other officers of the County as designated by the Chairman that are in conformity with the purposes and intent of this Resolution and in furtherance of the plan of financing, the issuance and sale of the Bonds and the financing of the Projects are hereby approved and ratified.

11. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 11<sup>th</sup> day of May, 2021.

The Resolution set forth above was adopted by a majority of the Board of Supervisors in an open meeting, during a regular meeting of the Board of Supervisors of Floyd County, Virginia on May 11, 2021 in which a quorum was present at all times, by the following votes:

AYES:

NAYS

ABSTENTIONS:

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Clerk, Board of Supervisors

**ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA,  
\$400,000 REVENUE BOND, SERIES 2021C  
\$625,000 REVENUE BOND, SERIES 2021D  
\$475,000 REVENUE BOND, SERIES 2021E**

**BOND PURCHASE AGREEMENT**

Dated as of May 1, 2021

Economic Development Authority of  
Floyd County, Virginia  
Floyd, Virginia

County of Floyd, Virginia  
Floyd, Virginia

Ladies and Gentlemen:

Skyline National Bank (the **“Bank”**), hereby agrees to enter into this Bond Purchase Agreement (the **“Agreement”**) with the Economic Development Authority of Floyd County, Virginia (the **“Authority”**) and the County of Floyd, Virginia (the **“County”**) for a loan to the Authority for the benefit of the County evidenced by the purchase by the Bank and sale by the Authority of (a) its \$400,000 Revenue Bond, Series 2021C (the **“2021C Bond”**) to finance a new recreation building and office renovation for County facilities (the **“2021C Project”**), (b) its \$625,000 Revenue Bond, Series 2021D (the **“2021D Bond”**) to finance fire and rescue vehicles and equipment for County use (the **“2021D Project”**) (c) its \$475,000 Revenue Bond, Series 2021E (the **“2021E Bond,”** and together with the 2021C Bond and the 2021D Bond, the **“Bonds”**) to finance vehicles and equipment for County use, including a garbage truck and an ambulance (the **“2021E Project,”** and, together with the 2021C Project and the 2021D Project, the **“Projects”**), The 2021C Bond will be dated as of May \_\_, 2021, and bearing interest from its date of issuance at the rate of 2.89% per annum on the principal amount thereon, with interest payable in arrears semiannually on the 1<sup>st</sup> day of February and August of each year, beginning August 1, 2021 and with principal payable annually on each February 1, beginning February 1, 2022, through the maturity date of the 2021C Bond, which is February 1, 2036, as set forth in the 2021C Bond. The 2021D Bond will be dated as of May \_\_, 2021, and bear interest from its date of issuance at the rate of 2.74% per annum on the principal amount thereon, with interest payable in arrears semiannually on the 1<sup>st</sup> day of February and August of each year, beginning August 1, 2021 and with principal payable annually on each February 1, beginning February 1, 2022, through the maturity date of the 2021D Bond, which is February 1, 2031, as set forth in the 2021D Bond. The 2021E Bond will be dated as of May \_\_, 2021, and bear interest from its date of issuance at the rate of 1.85% per annum on principal amounts drawn thereon, with interest payable in arrears semiannually on the 1<sup>st</sup> day of February and August of each year,

beginning August 1, 2021 and with principal payable annually on each February 1, beginning February 1, 2022, through the maturity date of the 2021E Bond, which is February 1, 2026, as set forth in the 2021E Bond. The proceeds of the Bonds will be utilized to (a) finance the Projects as described in an authorizing resolution of the Authority adopted on May 10, 2021 (**the “Authority Resolution”**) and a resolution of the Board of Supervisors (**the “Board of Supervisors”**) of the County, adopted on May 11, 2021 (**the “County Resolution”**) and (b) to pay certain costs and expenses incurred in connection with the issuance of the Bonds. Interest on the Bonds will be paid by the Authority, provided, however, notwithstanding anything in this Agreement to the contrary, that the obligations of the Authority to make payments of principal of or premium, if any, or interest on the Bonds or other costs incident thereto shall be limited solely from the revenues and other property pledged for payment of the Bonds and furthermore in all respects shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors of the County pursuant to the terms of the Financing Agreement between the County and the Authority (**the “Financing Agreement”**). The Bonds are subject to redemption prior to maturity at the option of the Authority, at the direction of the County, in whole or in part at any time, without penalty or premium, upon payment of the principal amount of the Bond to be redeemed plus interest accrued to the redemption date. The Bonds will be “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (**the “Code”**).

#### **Section 1. TERMS AND CONDITIONS**

Upon the terms and conditions and upon the basis of the representations set forth herein, the Bank hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Bank, the Bonds at the purchase price of 100% of the aggregate principal amount of such Bonds (**the “Purchase Price”**) on the date of Closing referred to in Section 4 hereof. The Bonds shall be as described in, and shall have the terms and conditions, including but not limited to the payment dates for interest, principal and redemption or prepayment provisions, set forth in the form of the Bonds attached as **Exhibits A-1, A-2 and A-3** hereto and incorporated by this reference. The Bonds and all other documents providing for the issuance of the Bonds shall be in the forms heretofore delivered to us, with only such changes as shall be mutually agreeable to the Bank and the Authority. The Secretary of the Authority is appointed Registrar of the Bonds. Notwithstanding any other provision of this Agreement, the Bonds shall not be general obligations of the Authority, but the obligations of the Authority to make payments of principal, premium, if any, and interest on the Bonds shall be in accordance with Section 3.3 of the Financing Agreement, and, in all respects, funds of the Authority pledged to payment of debt service on the Bonds shall be subject to appropriation by the Board of Supervisors of the County from time to time. The Bonds shall not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the County and the Authority, other than as the limited obligation of the Authority.

#### **Section 2. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY**

The Authority represents, warrants and agrees with the Bank that:

(a) the Authority is, and will be at Closing (as defined below), duly organized and validly existing as an industrial development authority under the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (**the “Act”**) and has the power and authority (1) to issue, sell and deliver the Bonds to the Bank as provided herein and (2) to consummate all transactions contemplated by, and perform its obligations under, this Agreement, the Financing Agreement and the Bonds (**referred to herein as the “Authority Documents”**).

(b) when delivered to, and paid for by, the Bank at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered;

(c) the adoption and the execution and delivery of the Authority Documents and compliance with the provisions thereof, under the circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, including, without limitation, the Act, the ordinances or resolutions creating the Authority, the Authority’s Bylaws or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or determination of any court, regulatory agency or other governmental unit by which the Authority is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the Authority is a party or by which the Authority may be bound;

(d) the Authority has duly authorized, executed and delivered, and approved the performance by the Authority of its obligations contained in the Authority Documents;

(e) prior to the Closing, all approvals, consents and orders, if any, of any governmental authority, board, agency or commission having jurisdiction over the Authority which would constitute a condition precedent to the performance by the Authority of its obligations hereunder and under the Bonds have been obtained;

(f) no suit, action, proceeding or investigation is pending or, to the knowledge of the Authority, threatened against or affecting any of the Authority's properties, or against or affecting the Authority, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the Authority, (ii) the execution and delivery by the Authority of the Authority Documents, (iii) the performance by the Authority of its obligations under the Authority Documents, (iv) the validity or enforceability of the Authority Documents or the transactions contemplated thereby, (v) the title or authority of any Authority officials executing the Authority Documents or other documents relating to the transactions contemplated thereby, or (vi) any authority or proceeding relating to the execution and delivery of the



Authority Documents on behalf of the Authority;

(g) no set of facts exists that, either immediately upon execution and delivery of any of the Authority Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any the Authority Documents;

(h) as of the Closing, the Authority will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Bank;

(i) The Authority has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds pledged under the Financing Agreement except the pledge, lien and charge for the security of the Bonds, and covenants and agrees not to sell or allow the creation of any lien, encumbrance or charge upon such revenues and funds, until payment in full, or except in connection with financing or other action to accomplish the payment in full, of all interest, premium, if any, and principal of the Bonds; and

(j) the representations and agreements of the Authority herein will be true and correct in all material respects as of the Closing.

**Section 3. REPRESENTATIONS AND WARRANTIES OF THE COUNTY**

The County represents, warrants and agrees with the Bank that:

(a) the County has the power and authority to consummate all transactions contemplated by, and perform its obligations under and as contemplated by, this Agreement and the Financing Agreement (**together, the “County Documents”**);

(b) the adoption and the execution and delivery of the County Documents and compliance with the provisions thereof, under the circumstances contemplated hereby and thereby, do not and will not (1) violate the Constitution or laws of the Commonwealth of Virginia, or any other existing law, rule, regulation, order, writ, judgment, injunction, decree, or determination of any court, regulatory agency or other governmental unit by which the County is bound, or (2) conflict with, result in a breach of, or constitute a default under, any existing resolution, ordinance, indenture of trust or mortgage, loan or credit agreement, or any other existing agreement or instrument to which the County is a party or by which the County may be bound;

(c) the County has duly authorized, executed and delivered, and approved the performance by the County of its obligations contained in the County Documents;

(d) prior to the Closing, all approvals, consents and orders, if any, of any

governmental authority, board, agency or commission having jurisdiction over the County or the Projects which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the other County Documents have been obtained;

(e) no suit, action, proceeding or investigation is pending nor, to the knowledge of the County, threatened against or affecting any of the Authority's or the County's properties, or against or affecting the Authority or the County, before any court or governmental department, commission, board, bureau, agency or instrumentality which involves or would materially affect any of the transactions contemplated hereby or by the other County Documents, or which, if determined adversely, could have a material adverse effect on (i) the organization or existence of the County, (ii) the execution and delivery by the County of the County Documents, (iii) the performance by the County of its obligations under the County Documents, (iv) the validity or enforceability of the County Documents, the Bonds or the transactions contemplated thereby, (v) the title or authority of any Authority or County officials executing the County Documents, the Bonds or other documents relating to the transactions contemplated thereby, (vi) any authority or proceeding relating to the execution and delivery of the County Documents or the Bonds on behalf of the Authority or the County, (vii) any authority of the County to pay Semi-Annual Payments (as defined in the Financing Agreement) or to perform the County's obligations under the Financing Agreement or (viii) that will materially or adversely affect the County's financial condition or ability to operate;

(f) no set of facts exists that, either immediately upon execution and delivery of any of the County Documents or with the passage of time or giving of notice, or both, thereafter, would cause or lead to a default or Event of Default under any of such County Documents;

(g) as of the Closing, the County will have complied with all the agreements and satisfied all the conditions on its part required to be performed or satisfied at or prior to the Closing other than those specified hereunder which have been waived by the Bank;

(h) the County has not created or suffered to be created or agreed to create or suffer to be created any lien, encumbrance or charge upon the revenues and funds, including but not limited to, the Semi-Annual Payments pledged under the Financing Agreement except the pledge, lien and charge for the security of the Bonds; and

(i) the representations and agreements of the County herein will be true and correct in all material respects as of the Closing.

#### **Section 4. CLOSING**

At 10:00 a.m., Richmond, Virginia time, on May \_\_, 2021 or at such other time or date as the Authority, the County and the Bank shall mutually agree upon, the Authority will deliver or cause to be delivered to the Bank, at the offices of Sands Anderson, PC, Richmond, Virginia

(“**Bond Counsel**”), or at such other place as the Authority, the County and the Bank may mutually agree upon, the Bonds in registered form, duly executed by the Authority and the documents in subsection 5(b) hereof. Concurrently with the notification to the Bank that delivery of the Bonds has been made (**the “Closing”**), the Bank will accept such delivery and will cause the payment to the Authority, by immediately available funds, of the Purchase Price of the Bonds, as set forth in the Closing Memorandum prepared by Davenport & Company dated as of May\_\_, 2021 (**the “Closing Memo”**).

**Section 5. CONDITIONS PRECEDENT TO CLOSING**

The Bank has entered into this Agreement in reliance upon the Authority’s representations and agreements herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Bank’s obligations under this Agreement are and shall be subject to the following further conditions:

(a) at the time of Closing, the Agreement, the Financing Agreement and the Bonds shall have been duly adopted or executed and delivered by the parties thereto and shall be in full force and effect and the Agreement, the Financing Agreement and the Bonds shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank, and the Authority shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby and thereby;

(b) at the Closing, the Bank shall receive in addition to the Bonds, the Financing Agreement and the Agreement, the following:

(1) (A) the approving opinion, dated the date of Closing, in form and substance satisfactory to the Bank, of Bond Counsel (including an opinion that the Bonds are “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code); and (B) the opinion of the Authority Counsel and the County Attorney, in the forms attached hereto as **Exhibit B and Exhibit C**, with such changes in such opinion as Bond Counsel and the Bank shall approve;

(2) Such additional legal opinions, certificates, proceedings, instruments, and other documents, as the Bank or Bond Counsel may reasonably request to evidence (A) compliance by the Authority with legal requirements relating to the issuance of the Bonds or the representations set forth in the Tax and Non-Arbitrage Certificate, (B) the truth and accuracy, as of the date of Closing, of all representations herein contained, and (C) the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Agreement; and

(3) the Authority Resolution and the County Resolution, each approving

the terms of this Agreement and authorizing this financing.

If the Authority shall be unable to satisfy the conditions to the Bank's obligations contained in this Agreement or if the Bank's obligations shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate, and neither the Authority nor the Bank shall have any further obligations hereunder, except that (i) the representations and warranties of the Authority set forth in Section 2 herein (as of the date made) will continue in full force and effect.

**Section 6. DISBURSEMENTS OF BOND PROCEEDS**

At Closing, the Bank will wire in immediately available funds, a portion of the Purchase Price of the Bonds to pay the costs of issuance of the Bonds, as set forth in the Closing Memorandum prepared by the Financial Advisor. The remaining monies from the Purchase Price of the Bonds, if any, will be deposited in a separate and distinct account established by the County [in the Virginia State Nonarbitrage Program] and disbursed to pay costs of the Projects and any remaining costs of issuance of the Bonds.

**Section 7. EXPENSES AND COSTS**

The expenses and costs of the Authority incident to the issuance of the Bonds, including the fees and expenses of Bond Counsel, Authority Counsel, County Attorney and the County's Financial Advisor, shall be paid from the proceeds of the Bonds or by the County.

**Section 8. OPTIONAL PREPAYMENT**

The Bonds may be prepaid by the Authority at the direction of the County, at any time, in whole or in part, at a prepayment price equal to the principal amount of the Bonds to be prepaid, plus interest accrued thereon to the prepayment date.

**Section 9. NOTICES**

Any notice or other communication to be given to the parties under this Agreement shall be in writing and shall be deemed delivered if delivered in person or sent by certified mail, return receipt requested, to the parties as follows: if to the Authority, at its address set forth above; and if to the Bank, to P.O. Box 186, Independence, Virginia 24348 (Attention: Jonathan Kruckow, Senior Vice President).

**Section 10. LIMITED BENEFIT; SURVIVABILITY**

This Bond Purchase Agreement is made solely for the benefit of the Authority, the County and the Bank (including the successor or assigns of the Bank), and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the Authority, the County and the Bank in this Agreement shall survive the delivery of and payment for the Bonds.

**Section 11. APPLICABLE LAW**

The rights and obligations of the parties to this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia, exclusive of its conflicts of laws provisions.

**Section 12. APPROVAL**

The approval of the Bank when required hereunder, or the determination of its satisfaction as to any document referred to herein, shall be in writing signed by the Bank and delivered to the Authority and the County.

**Section 13. ENTIRE UNDERSTANDING AND AMENDMENTS**

This Agreement expresses the entire understanding and agreement of the parties with respect to the Bonds, superseding all prior agreements, whether oral or written, and may not be modified, except in writing, signed by the Bank, the County and the Authority.

Very truly yours,

**SKYLINE NATIONAL BANK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

ACCEPTED AND APPROVED:

**ECONOMIC DEVELOPMENT AUTHORITY OF  
FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

ACCEPTED AND APPROVED:

**COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

**EXHIBIT A-1**

Form of 2021C Bond

**EXHIBIT A-2**

Form of 2021D Bond



**EXHIBIT A-3**

Form of 2021E Bond

**EXHIBIT B**

Form of Authority Counsel Opinion

**EXHIBIT C**

**Form of County Attorney Opinion**

**FINANCING AGREEMENT**

**between**

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

**and**

**BOARD OF SUPERVISORS OF  
THE COUNTY OF FLOYD, VIRGINIA,**

**on behalf of  
THE COUNTY OF FLOYD, VIRGINIA**

**Dated as of May 1, 2021**

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THIS FINANCING AGREEMENT dated as of the 1<sup>st</sup> day of May, 2021 (the “Financing Agreement”), by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), and the **BOARD OF SUPERVISORS OF THE COUNTY OF FLOYD, VIRGINIA**, on behalf of **THE COUNTY OF FLOYD, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “County”), provides:

**W I T N E S S E T H:**

**WHEREAS**, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”); and

**WHEREAS**, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations; and

**WHEREAS**, the County desires to undertake the Projects (as defined below) for governmental purposes and the Authority has agreed in connection therewith to (a) issue, offer and sell its revenue bond in an amount of approximately \$400,000 (the “**2021C Bond**”) to finance a new recreation building and office renovation for County facilities (the “**2021C Project**”), (b) issue, offer and sell its revenue bond in an amount of approximately \$625,000 (the “**2021D Bond**”) to finance fire and rescue vehicles and equipment for County use (the “**2021D Project**”) (c) issue, offer and sell its revenue bond in an amount of approximately \$475,000 (the “**2021E Bond**,” and together with the **2021C Bond** and the **2021D Bond**, the “**Bonds**”) to finance vehicles and equipment for County use, including a garbage truck and an ambulance (the “**2021E Project**,” and, together with the **2021C Project** and the **2021D Project**, the “**Projects**”); and

**WHEREAS**, in furtherance of the purposes of the Act, the County has requested the Authority to undertake the financing of the Projects, and the Authority has determined to issue pursuant to the terms of a Bond Purchase Agreement, dated as of May 1, 2021 (the “**Bond Purchase Agreement**”), among the Authority, the County and Skyline National Bank (the “**Bank**”), its revenue bonds and to loan the proceeds thereof to the County pursuant to the terms of this Financing Agreement to finance costs incurred in connection with the financing of the Projects and costs of issuing such Bonds; and

**WHEREAS**, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Financing Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Financing Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1. Definitions.** Unless otherwise defined in this Financing Agreement, all words used herein shall have the meanings assigned to such terms in the Bond Purchase Agreement. The following words as used in this Financing Agreement shall have the following meanings unless a different meaning clearly appears from the context:

**“2021C Bond”** shall mean the Authority’s \$400,000 Revenue Bond, Series 2021C, issued hereunder to finance the 2021C Project.

**“2021D Bond”** shall mean the Authority’s \$625,000 Revenue Bond, Series 2021D, issued hereunder to finance the 2021D Project.

**“2021E Bond”** shall mean the Authority’s \$475,000 Revenue Bond, Series 2021E, issued hereunder to finance the 2021E Project.

**“Account”** shall mean any of the various Accounts created within a Fund under this Financing Agreement.

**“Additional Payment(s)”** shall mean such payment or payments made by the County pursuant to Section 4.1(b).

**“Annual Budget”** shall mean the budget by that name referred to in Section 4.4.

**“Basic Agreements”** shall mean the Bond Purchase Agreement and this Financing Agreement.

**“Bonds”** shall mean the 2021C Bond, the 2021D Bond and the 2021E Bond.

**“Bond Fund”** shall mean the Bond Fund established in Section 3.4.

**“Event of Default”** shall mean the events enumerated in Section 7.1.

**“Financing Agreement”** shall mean this Financing Agreement, as such Financing Agreement may be supplemented, amended or modified by one or more Supplemental Financing Agreements.

**“Fiscal Year”** shall mean the twelve-month period beginning July 1 of one year and ending on June 30 of the following year, or such other fiscal year of twelve months as may be selected by the County.



**“2021C Bond Maturity Date”** shall mean the maturity date on the 2021C Bond (February 1, 2036).

**“2021D Bond Maturity Date”** shall mean the maturity date on the 2021D Bond (February 1, 2031).

**“2021E Bond Maturity Date”** shall mean the maturity date on the 2021E Bond (February 1, 2026).

**“Outstanding”** shall mean when used in reference to the Bonds, as of a particular date, the principal amounts advanced under the Bonds except as to portions prepaid pursuant to Section 5.1.

**“Semi-Annual Payment(s)”** shall mean the interest payments made by the County under this Financing Agreement on each February 1 and August 1, commencing August 1, 2021 through the Maturity Date, due and accruing on the principal amount outstanding under the Bonds, and, the payment of principal outstanding under the 2021C Bond on the 2021C Bond Maturity Date, the 2021D Bond on the 2021D Bond Maturity Date and on the 2021E Bond on the 2021E Bond Maturity Date.

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

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote the payment of the Bonds at its stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Financing Agreement.

(d) The headings herein and Table of Contents to this Financing Agreement herein are solely for convenience of reference and shall not constitute a part of this Financing Agreement nor shall they affect its meaning, construction or effect.

(e) All references herein to payment of the Bonds are references to payment of principal of and premium, if any, and interest on the Bonds.

## ARTICLE II

### REPRESENTATIONS

**Section 2.1. Representations by Authority.** The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements;

(c) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Agreements will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the Authority, or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Basic Agreements, except that no representation is made as to the applicability of any Federal or state securities laws; and

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened against the Authority with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Agreements, (3) the validity or enforceability of the Basic Agreements or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Basic Agreements, or (5) the ability of the Authority to issue and sell its notes or bonds.

**Section 2.2. Representations by County.** The County makes the following representations:

(a) The County is a political subdivision of the Commonwealth of Virginia;

(b) The County has full power and authority to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements;

(c) The County 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 or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(d) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of the Basic Agreements to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the County or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the County or any of its assets is subject, and no event has

occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Agreements to which it is a party; and

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened against the County with respect to (1) the authority of the County to execute and deliver the Basic Agreements to which it is a party, (2) the validity or enforceability of such Basic Agreements or the County's performance of its obligations thereunder, (3) the title of any officer of the County executing such Basic Agreements, or (4) the ability of the County to finance the Projects.

### ARTICLE III

#### AGREEMENT TO MAKE LOAN AND ISSUE BONDS

**Section 3.1. Agreement to Make Loan to Finance the Projects.** The Authority hereby agrees to make, but solely from the proceeds of the Bonds, and the County hereby agrees to accept, a loan to finance any Costs of the Projects. Subject to the limitation of Section 4.4, the County agrees to make all Semi-Annual Payments and Additional Payments when and as the same shall become due and payable to repay such loan and to pay the outstanding principal amount due on the 2021C Bond on the 2021C Bond Maturity Date, the 2021D Bond on the 2021D Bond Maturity Date and on the 2021E Bond on the 2021E Bond Maturity Date.

**Section 3.2. Agreement to Issue Bonds.** In order to provide funds for making the loan described in Section 3.1, the Authority shall simultaneously with the execution and delivery hereof proceed with the issuance and sale of the Bonds bearing interest, maturing and having the other terms and provisions set forth in the Bond Purchase Agreement.

**Section 3.3. Limitation of Authority's Liability.** Anything contained in this Financing Agreement to the contrary notwithstanding, any obligation the Authority may incur in connection with the issuance of the Bonds, for the payment of money shall not be deemed to constitute a debt or general obligation of the Authority within any constitutional or statutory limitations, but shall be payable solely from the revenues and receipts derived by it pursuant to this Financing Agreement.

**Section 3.4. Bond Fund.** There is established by the Authority with the Bank a fund to be designated "Economic Development Authority of Floyd County, Virginia, Series 2021C, 2021D and 2021E Bond Fund." The Authority and the County will deposit or cause to be deposited in the Bond Fund payments made by the County under Section 4.1 (except payments made for the fees, costs and expenses of the Authority), or amounts received for prepayment of the Bonds. The Authority pledges and assigns to the Bank a security interest in all amounts in the Bonds Fund for the benefit of the Bank as holder of the Bonds. The Authority will use the

money deposited in the Bond Fund to pay when due the principal of and premium, if any, and interest on the Bonds then Outstanding and to redeem or purchase Bonds in accordance with the redemption provisions of the Bonds and the Bond Purchase Agreement.

## ARTICLE IV

### PAYMENT OBLIGATIONS

**Section 4.1. Amounts Payable.** (a) Subject to the limitation of Section 4.4, the County shall pay to the Authority or its assignee the Semi-Annual Payments, on or before their respective due dates. The Semi-Annual Payments shall be payable without notice or demand at the principal corporate office of the Bank. The County shall receive a credit against its obligation to make the next succeeding Semi-Annual Payment due under this Financing Agreement in an amount equal to any amounts on deposit in the Bond Fund and any interest income derived from the investment thereof in the Bond Fund, provided that such amounts have not been applied previously as a credit with respect to any Semi-Annual Payment and will be available to make the corresponding payments on the Bonds then Outstanding.

(b) Subject to the limitation of Section 4.4, the County agrees to make Additional Payments to pay (1) any expenses incurred by the Authority in connection with its obligations under this Financing Agreement and (2) all other amounts which the County agrees to pay under the terms of this Financing Agreement, but not including Semi-Annual Payments.

**Section 4.2. Payments Assigned.** The Authority and the County acknowledge and agree that all Semi-Annual Payments and Additional Payments (except the right of the Authority to the payment of fees, costs and expenses as described in Section 4.1(b)(1) hereof and the right to receive notices as provided in this Financing Agreement) are hereby assigned to the Bank. The County consents to such assignment and agrees to pay to the Bank all amounts payable by the County that are so assigned in accordance with Section 3.4. The County acknowledges that the interest rate of the Bonds is subject to adjustment as provided in the 2021B Bond.

**Section 4.3. Obligation Unconditional.** Except as otherwise provided in this Financing Agreement, including the limitation in Section 4.4, the obligations of the County to make all Semi-Annual Payments and Additional Payments and to observe all other covenants, conditions and agreements under the Basic Agreements shall be absolute and unconditional, irrespective of any right of setoff, recoupment or counterclaim the County may otherwise have against the Authority, and the County shall not suspend or discontinue any such Semi-Annual Payment or Additional Payment or fail to observe and perform any of its covenants, conditions and agreements under the Basic Agreements.

**Section 4.4. Appropriations of Semi-Annual Payments and Additional Payments.** While recognizing that it is not empowered to make any binding commitment to make Semi-Annual Payments and Additional Payments beyond the current Fiscal Year, the Board of Supervisors in authorizing the execution of this Financing Agreement has stated its intent to make annual appropriations sufficient to make the Semi-Annual Payments and Additional Payments.

Notwithstanding anything in this Financing Agreement to the contrary, the County's obligations to pay the cost of performing its obligations under this Financing Agreement and the Bond Purchase Agreement, including its obligations to pay all Semi-Annual Payments and Additional Payments, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose; provided, however, that the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Semi-Annual Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of this Financing Agreement, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall deliver to the Bank and the Authority within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Semi-Annual Payments and estimated Additional Payments which will come due during such Fiscal Year has been appropriated by the Board of Supervisors in such Annual Budget. If any adopted Annual Budget does not include an appropriation of funds sufficient to pay both Semi-Annual Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the Board of Supervisors shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the Board of Supervisors has not appropriated funds for the payment of both Semi-Annual Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall give written notice to the Board of Supervisors of the consequences of such failure to appropriate, and request the Board of Supervisors to consider a supplemental appropriation for such purposes.

## ARTICLE V

### PREPAYMENT AND REDEMPTION

**Section 5.1. Prepayment and Redemption.** The County shall have the option to prepay any Semi-Annual Payment at the times and in the amounts as necessary to enable the Authority to exercise its option to enable the Authority to cause the Bonds to be redeemed as set forth in such Bonds. Such prepayments of Semi-Annual Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the Bonds as set forth in such Bonds. Upon the exercise of such option, the County shall also pay as Additional Payments, the amounts necessary to pay the premium, if any, due on such Bonds on the date or dates of their redemption.

The County shall direct the Authority to send to the Bank at least 15 days prior to the latest date that notice of redemption may be given pursuant to the Bond Purchase Agreement, a notice specifying the redemption date, the principal amount of the Bonds to be redeemed, and the premium that will be due, if any.

## ARTICLE VI

### PARTICULAR COVENANTS

**Section 6.1. Authority's Expenses.** The County agrees, whether or not the transactions contemplated by this Financing Agreement and the Bond Purchase Agreement shall be consummated, to pay all reasonable out-of-pocket expenses arising in connection with the transactions contemplated hereby, including the reasonable fees and expenses of counsel to the Authority and a reasonable share of the cost of any audit of the funds of the Authority.

**Section 6.2. Limitation of Liability of Directors, etc. of Authority and County.** No covenant, agreement or obligation contained in this Financing Agreement shall be deemed to be a covenant, agreement or obligation of any present or future member, officer, director, employee or agent of the Authority in his individual capacity, and neither the members of the Authority nor any officer thereof executing the Bonds shall be liable personally on such Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No member, director, officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to this Financing Agreement or the Act or any of the transactions contemplated thereby.

No covenant, agreement or obligation contained in this Financing Agreement shall be deemed to be a covenant, agreement or obligation of any present or future supervisor, officer, employee or agent of the County in his individual capacity, and no supervisor, officer, employee or agent of the County shall incur any personal liability with respect to the Bonds or action taken by him pursuant to this Financing Agreement.

**Section 6.3. Notice Regarding Projects.** The County agrees to notify the Authority and the Bank should the Projects, or any portion thereof, be abandoned or cease to be used for the purposes for which the County originally intended to use it.

**Section 6.4. Use of Proceeds.** The County shall not and the Authority shall not knowingly (a) take any action or use the proceeds of the Bonds (including failure to spend the same with due diligence) or take any other action, which would cause the Bonds (the interest on which was excludable from gross income for Federal income tax purposes at the time of their issuance) to be "arbitrage bonds" within the meaning of Section 148 of the Code, or (b) barring unforeseen circumstances, approve the use of the proceeds from the sale of the Bonds (the interest on which was excludable from gross income for Federal income tax purposes at the time of its issuance) otherwise than in accordance with the Authority's "non-arbitrage" certificate given immediately prior to the issuance of such Bonds.

**Section 6.5. Private Activity Covenants.** The County covenants not to permit the proceeds of the Bonds to be used in any manner that would result in (a) 10% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Projects financed or refinanced by the Bonds, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the

meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of Bond Counsel that any such covenants need not be complied with to prevent the interest on such Bonds from being includable in the gross income for Federal income tax purposes under existing law, the County need not comply with such covenants.

**Section 6.6. Preservation of Tax-Exempt Status of Interest.** The County shall not use the Projects, or any portion thereof, for any use that would adversely affect the exclusion of interest from gross income for Federal income tax purposes on the Bonds or the bank-qualified designation thereof, the interest on which was excludable from gross income at the time of their issuance.

**Section 6.7. Maintenance of Existence of Authority.** Except for the assignment of its rights under this Financing Agreement to the Bank pursuant to this Financing Agreement, the Authority agrees that it will not assign, transfer or convey its interest in this Financing Agreement or any of the revenues to be derived therefrom. The Authority further agrees that, until the Bonds has been paid in full, the Authority will not (a) dissolve or otherwise dispose of all or substantially all of its assets, (b) consolidate with or merge into any authority, corporation, association or other body, (c) permit any other authority, corporation, association or other body to consolidate with or merge into it, (d) act jointly with any other authority, corporation, association or other body (other than the County and the Bank) with respect to the transactions contemplated by this Financing Agreement and the Bond Purchase Agreement, or (e) take any action or refrain from taking any action which would (i) permit any of the foregoing to be required by operation of law or (ii) which would permit it, or require it by operation of law, to avoid its obligations under this Financing Agreement or the Bond Purchase Agreement or any other agreement contemplated hereby; provided, however, that nothing contained in this Section shall prevent the consolidation of the Authority with, or the merger of the Authority into, or the transfer of the interest of the Authority in this Financing Agreement as an entirety to, any public corporation whose property and income are not subject to taxation and which has the corporate authority to carry out the transactions contemplated by this Financing Agreement and the Bond Purchase Agreement, but only on the condition that (A) reasonable prior notice of such consolidation, merger or transfer is given to the County and the Bank, and (B) upon any such consolidation, merger or transfer, the obligation of the Authority to make due and punctual payment of the principal of and redemption premium, if any, and interest on the Bonds according to their tenor and to perform and observe all of the agreements and conditions of this Financing Agreement and the Bond Purchase Agreement shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the interest of the Authority in this Financing Agreement shall be transferred as an entirety.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

#### Section 7.1. Events of Default.

- (a) Each of the following events shall be an Event of Default:

(1) Default in the due and punctual payment of a Semi-Annual Payment when the same becomes due and payable and continuation of such failure for a period of five days;

(2) Failure of the County to pay when due any other payment due under this Financing Agreement, or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence; or

(3) Bankruptcy or insolvency of the County, or failure by the County to lift any execution or attachment on the Projects or any portion thereof, which failure shall continue for a period of 60 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 60 day period but can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder, the County shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The County shall remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (1) failure by the County to pay when due any payment required to be made under this Financing Agreement or (2) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Financing Agreement, either of which results from failure of the County to appropriate moneys for such purposes, as described in Section 4.4, shall not constitute an Event of Default. Upon any such failure to appropriate, the provisions of Article VIII shall be applicable.

**Section 7.2. Remedies.** Whenever any Event of Default shall have happened and is continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the Semi-Annual Payments and Additional Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Financing Agreement. Any amounts received by the



Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Bond Fund and credited to the next Semi-Annual Payment to the extent such Payments have not been paid in full. This provision shall survive termination of this Financing Agreement.

**Section 7.3. Reinstatement after Event of Default.** Notwithstanding the exercise by the Authority of any remedy granted by Section 7.2, if all overdue Semi-Annual Payments, together with any interest thereon, and all Additional Payments shall have been made, and payment on the Bonds has not been accelerated or such acceleration has been waived, then the County's default under this Financing Agreement shall be waived without further action by the Authority. Upon such payment and waiver, this Financing Agreement shall be fully reinstated and all Semi-Annual Payments will be due and payable in accordance with the previously determined schedule or calculations provided by the Bank.

**Section 7.4. No Remedy Exclusive.** No remedy conferred by this Financing Agreement upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 7.5. No Additional Waiver Implied by One Waiver.** Failure by the Authority at any time to require performance by the County of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

**Section 7.6. Attorneys' Fees and Other Expenses.** Subject to the limitation in Section 4.4, the County shall on demand pay to the Authority and the Bank the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Semi-Annual Payments or Additional Payments, or the enforcement of any other obligation of the County, or its agents, upon an Event of Default.

## ARTICLE VIII

### REMEDY FOR NONAPPROPRIATION

**Section 8.1. Remedy for Nonappropriation.** If by June 30 of any year, the Board of Supervisors has failed to appropriate moneys sufficient for the payment of Semi-Annual Payments and estimated Additional Payments for the following Fiscal Year, the County Administrator shall give notice to the Authority and the Bank of such failure to appropriate within 5 Business Days thereafter, and if no such appropriation has been made by June 30 of such year, the Authority shall declare immediately due and payable the entire unpaid principal and interest of all Semi-Annual Payments due and thereafter to become due through and including the final payment of principal and interest on the Bonds then Outstanding.

## ARTICLE IX

### BOND PURCHASE AGREEMENT; AMENDMENTS; ASSIGNMENT

#### Section 9.1. Bond Purchase Agreement; Covenants.

(a) Contemporaneously with the execution of this Financing Agreement, the Authority has entered into the Bond Purchase Agreement with the Bank. The County shall not be obligated to take any notice of any sale, assignment, reassignment, pledge, mortgage, transfer or other disposition of any interest in this Financing Agreement by the Authority, unless such sale, assignment, reassignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with the Bond Purchase Agreement, and the County shall have received a duplicate original counterpart of the document by which the assignment, reassignment, pledge, mortgage, transfer or other disposition is made, disclosing the name and address of the person or entity receiving such interest; provided, however, that if such assignment, reassignment, pledge, mortgage, transfer or other disposition is made to a bank or trust company as trustee or paying agent or escrow agent for the Authority's bonds, it shall thereafter be sufficient that a copy of the trust instrument or agency agreement shall have been deposited with the County until the County shall have been advised that such trust instrument or agency agreement is no longer in effect.

(b) Subject to Section 4.4, the County covenants to take whatever action may be necessary for the Authority to comply with the Authority's covenants under the Bond Purchase Agreement.

(c) The County agrees, for the benefit of the holders of the Bonds, to do and perform all acts and things contemplated in the Bond Purchase Agreement to be done or performed by it. The Authority agrees that it shall not execute or permit any amendment or supplement to the Bond Purchase Agreement which affects any right, power or authority of the County under this Financing Agreement or requires a revision of this Financing Agreement without the prior written consent of the County.

**Section 9.2. Amendments.** This Financing Agreement shall not be supplemented, amended or modified, without the consent of the holder of the Bonds.

**Section 9.3. Assignment.** The Authority has assigned all of its rights in and to this Financing Agreement (except its rights to receive payment of its fees and expenses, to receive notices and to give consents) to the Bank for the benefit of the holders of the Bonds. The County (a) consents to such assignment, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Bank to effect such assignment, (c) agrees to make all payments due to the Authority under this Financing Agreement directly to the Bank (except the Authority's rights to receive payment of its fees and expenses, to receive notices and to give consents), subject to Section 4.4, and (d) agrees to comply fully with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Financing Agreement to the Authority shall include the Bank and its successors and assigns, whether or not specific reference is otherwise made to the Bank, unless the context requires otherwise.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1. Notices.** Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the County, c/o County Administration Office, 120 West Oxford Street, Floyd, Virginia 24091, Floyd (Attention: County Administrator), (b) if to the Authority, c/o Floyd County Economic Development Authority Office, 120 West Oxford Street, Floyd, Virginia 24091 (Attention: Chairman) and (c) if to the Bank, at Skyline National Bank, [P.O. Box 186, Independence, Virginia 24348 (Attention: Jonathan Kruckow, Senior Vice President)]. The County, the Authority and the Bank may, by notice given hereunder, designate 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 10.2. Severability.** If any provision of this Financing Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

**Section 10.3. Amounts Remaining.** Any amount with respect to the Bonds remaining in any fund or account created under the Bond Purchase Agreement or this Financing Agreement shall, after payment of all amounts due from the County pursuant to the Basic Agreements, belong to and be paid to the County.

**Section 10.4. Limited Liability of County.** Notwithstanding any provision of the Basic Agreements to the contrary, the obligations of the County under the Basic Agreements are not general obligations of the County, but are limited obligations payable solely from payments of Semi-Annual Payments and Additional Payments. No officer, official, employee or agent of the County shall be personally liable on the County's obligations hereunder. The Authority shall not be liable under any circumstances for the actions of the County, as agent for the Authority, or for any actions of the County under the Basic Agreements.

**Section 10.5. Successors and Assigns.** This Financing Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 10.6. Counterparts.** This Financing Agreement may be executed in any number of counterparts, each of which shall be an original, all of which together shall constitute but one and the same instrument.

**Section 10.7. Entire Agreement.** The Basic Agreements express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

**Section 10.8. Governing Law.** This Financing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have caused this Financing Agreement to be duly executed and effective as of the \_\_\_ day of May, 2021, by their duly authorized representatives.

**ECONOMIC DEVELOPMENT AUTHORITY OF  
FLOYD COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

**BOARD OF SUPERVISORS OF THE COUNTY  
OF FLOYD, VIRGINIA ON BEHALF OF  
THE COUNTY OF FLOYD, VIRGINIA**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Seen and agreed to:**

**SKYLINE NATIONAL BANK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

7. c. 4

REGISTERED

RC-1

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF FLOYD COUNTY, VIRGINIA**

**Revenue Bond, Series 2021C**

**INTEREST RATE**

2.89%

**MATURITY DATE**

February 1, 2036

**DATED DATE**

May \_\_, 2021

REGISTERED OWNER: **SKYLINE NATIONAL BANK**

PRINCIPAL SUM: FOUR HUNDRED THOUSAND AND 00/100 DOLLARS (\$400,000.00)

**The ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (**the “Authority”**), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in **Schedule A** attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each February 1 and August 1, beginning August 1, 2021 at the annual rate stated above. The interest rate shall be subject to adjustment upon a Determination of Taxability (as defined below). The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (**the “Bondholder”**) at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the Commonwealth are authorized to close.

Upon a Determination of Taxability (as defined below), the interest rate on this Bond shall be automatically adjusted to the Taxable Rate (as defined below) from the Date of Taxability (as defined below). For purposes of this Bond, the following terms have the following meanings:

“Date of Taxability” means the earliest date as of which interest on this Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder notifies the Authority that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability (as defined below) has occurred unless, within 180 days after receipt by the Authority of such notification from such Bondholder, the Authority shall deliver to the Bondholder (A) a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings by the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Authority shall receive notice from the Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder the interest on this Bond due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the County or the Authority have been afforded the opportunity, at the sole expense of the County, to contest any such assessment, and, further, no

Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder, the Authority shall immediately reimburse such Bondholder for any payments such Bondholder shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Bond which has the effect of causing interest paid or payable on this Bond to become includable, in whole or in part, in the gross income of the Bondholder for federal income tax purposes.

“Taxable Rate” means the interest rate per annum that shall provide the Bondholder with the same after tax yield that the Bondholder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Bondholder as a result of such Determination of Taxability. The Bondholder shall provide the Authority with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Authority.

This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time, in whole or in part, upon fifteen (15) business days’ prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and the principal amount of the Bond prepaid, without penalty.

This Bond is the Authority’s \$400,000 Revenue Bond, Series 2021C (**the “Bond”**), authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. The Bond is issued under the Bond Purchase Agreement among the Authority, the County of Floyd, Virginia (**the “County”**) and Skyline National Bank (**the “Lender”**), dated as of May 1, 2021 and secured by a Financing Agreement, dated as of May 1, 2021, between the Authority and the County (**the “Financing Agreement”**), which assigns to the Lender, as security for the Bond, the Authority’s rights under the Financing Agreement (except for the Authority’s rights under the Financing Agreement to the payment of certain fees and expenses as described in Section 4.1(b)(1) thereof and the right to receive notices). Reference is hereby made to the Bond Purchase Agreement and the Financing Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Lender, the rights of the holders of the Bond and the terms upon which the Bond is issued and secured. Terms not otherwise defined herein shall have the meaning assigned such terms in the Financing Agreement.

The Bond is issued for the purpose of providing funds to loan to the County, pursuant to the terms of the Financing Agreement, to finance a new recreation building and office renovation for County facilities. Under the Financing Agreement, the County has agreed to make payments that will be sufficient to pay the principal of and premium, if any, and interest on the Bond as the same shall become due in accordance with their terms and the provisions and the terms of the

Financing Agreement. The obligation of the County to make payments under the Financing Agreement constitutes a current expense of the County, subject to annual appropriation by the Board of Supervisors of the County. The obligation of the County to make payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments.

**THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE FINANCING AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF FLOYD, VIRGINIA (THE "COUNTY") AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.**

**NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.**

The Bondholder shall not be required to present or surrender this Bond on a condition of receiving any payment due hereunder.

The Authority has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.



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

**IN WITNESS WHEREOF**, the Economic Development Authority of the County of Floyd, Virginia, has caused this Bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this Bond to be dated May \_\_, 2021.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

(SEAL)

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**ASSIGNMENT**

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

\_\_\_\_\_  
\_\_\_\_\_  
(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
: :  
: :  
: :  
\_\_\_\_\_

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed

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

\_\_\_\_\_  
(Signature of Registered Owner  
  
NOTICE: The signature above must  
correspond with the name of the  
registered owner as it appears on the  
front of this Bond in every particular,  
without alteration or enlargement or any  
change whatsoever.

**SCHEDULE A**

7.c.5.

REGISTERED

RD-1

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF FLOYD COUNTY, VIRGINIA**

**Revenue Bond, Series 2021D**

**INTEREST RATE**

2.74%

**MATURITY DATE**

February 1, 2031

**DATED DATE**

May \_\_, 2021

REGISTERED OWNER: **SKYLINE NATIONAL BANK**

PRINCIPAL SUM: **SIX HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS**  
**(\$625,000.00)**

**The ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (**the "Authority"**), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in **Schedule A** attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each February 1 and August 1, beginning August 1, 2021 at the annual rate stated above. The interest rate shall be subject to adjustment upon a Determination of Taxability (as defined below). The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (**the "Bondholder"**) at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the

Commonwealth are authorized to close.

Upon a Determination of Taxability (as defined below), the interest rate on this Bond shall be automatically adjusted to the Taxable Rate (as defined below) from the Date of Taxability (as defined below). For purposes of this Bond, the following terms have the following meanings:

“Date of Taxability” means the earliest date as of which interest on this Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder notifies the Authority that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability (as defined below) has occurred unless, within 180 days after receipt by the Authority of such notification from such Bondholder, the Authority shall deliver to the Bondholder (A) a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings by the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Authority shall receive notice from the Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder the interest on this Bond due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the County or the Authority have been afforded the opportunity, at

the sole expense of the County, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder, the Authority shall immediately reimburse such Bondholder for any payments such Bondholder shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Bond which has the effect of causing interest paid or payable on this Bond to become includable, in whole or in part, in the gross income of the Bondholder for federal income tax purposes.

“Taxable Rate” means the interest rate per annum that shall provide the Bondholder with the same after tax yield that the Bondholder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Bondholder as a result of such Determination of Taxability. The Bondholder shall provide the Authority with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Authority.

This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time, in whole or in part, upon fifteen (15) business days’ prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and the principal amount of the Bond prepaid, without penalty.

This Bond is the Authority’s \$625,000 Revenue Bond, Series 2021D (the “**Bond**”), authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. The Bond is issued under the Bond Purchase Agreement among the Authority, the County of Floyd, Virginia (the “**County**”) and Skyline National Bank (the “**Lender**”), dated as of May 1, 2021 and secured by a Financing Agreement, dated as of May 1, 2021, between the Authority and the County (the “**Financing Agreement**”), which assigns to the Lender, as security for the Bond, the Authority’s rights under the Financing Agreement (except for the Authority’s rights under the Financing Agreement to the payment of certain fees and expenses as described in Section 4.1(b)(1) thereof and the right to receive notices). Reference is hereby made to the Bond Purchase Agreement and the Financing Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Lender, the rights of the holders of the Bond and the terms upon which the Bond is issued and secured. Terms not otherwise defined herein shall have the meaning assigned such terms in the Financing Agreement.

The Bond is issued for the purpose of providing funds to loan to the County, pursuant to the terms of the Financing Agreement, to finance fire and rescue vehicles and equipment for County use. Under the Financing Agreement, the County has agreed to make payments that will be sufficient to pay the principal of and premium, if any, and interest on the Bond as the same

shall become due in accordance with their terms and the provisions and the terms of the Financing Agreement. The obligation of the County to make payments under the Financing Agreement constitutes a current expense of the County, subject to annual appropriation by the Board of Supervisors of the County. The obligation of the County to make payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments.

**THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE FINANCING AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF FLOYD, VIRGINIA (THE "COUNTY") AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.**

**NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.**

The Bondholder shall not be required to present or surrender this Bond on a condition of receiving any payment due hereunder.

The Authority has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.



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

**IN WITNESS WHEREOF**, the Economic Development Authority of the County of Floyd, Virginia, has caused this Bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this Bond to be dated May \_\_, 2021.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

(SEAL)

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**ASSIGNMENT**

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

\_\_\_\_\_  
\_\_\_\_\_  
(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
:  
:  
:  
\_\_\_\_\_

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed

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

\_\_\_\_\_  
(Signature of Registered Owner

NOTICE: The signature above must  
correspond with the name of the  
registered owner as it appears on the  
front of this Bond in every particular,  
without alteration or enlargement or any  
change whatsoever.

**SCHEDULE A**

7.c.6.

REGISTERED

RE-1

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF FLOYD COUNTY, VIRGINIA**

**Revenue Bond, Series 2021E**

<b><u>INTEREST RATE</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>DATED DATE</u></b>
1.85%	February 1, 2026	May __, 2021

**REGISTERED OWNER: SKYLINE NATIONAL BANK**

**PRINCIPAL SUM: FOUR HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$475,000.00)**

**The ECONOMIC DEVELOPMENT AUTHORITY OF FLOYD COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**Authority**”), for value received hereby promises to pay, solely from the sources hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the dates and in the amounts set forth in **Schedule A** attached hereto, subject to prior redemption or prepayment as hereinafter provided, and to pay, solely from the sources hereinafter provided, interest hereon from the date of this Bond semi-annually on each February 1 and August 1, beginning August 1, 2021 at the annual rate stated above. The interest rate shall be subject to adjustment upon a Determination of Taxability (as defined below). The principal of and premium, if any, and interest on this Bond are payable by check or draft mailed or delivered to, or in any manner credited to the account of, the registered owner set forth above, its successors or registered assigns (the “**Bondholder**”) at the address of the Bondholder as it appears on the registration books kept by the Secretary of the Authority as registrar. Interest shall be computed on the basis of a year of 360 days and twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America. If the date of any payment due hereunder is not a Business Day (as hereinafter defined) then such payment shall be due on the next following Business Day. Business Day shall mean any day other than (1) a Saturday or Sunday or (2) a day on which commercial banks in the

Commonwealth are authorized to close.

Upon a Determination of Taxability (as defined below), the interest rate on this Bond shall be automatically adjusted to the Taxable Rate (as defined below) from the Date of Taxability (as defined below). For purposes of this Bond, the following terms have the following meanings:

“Date of Taxability” means the earliest date as of which interest on this Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder notifies the Authority that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability (as defined below) has occurred unless, within 180 days after receipt by the Authority of such notification from such Bondholder, the Authority shall deliver to the Bondholder (A) a ruling or determination letter issued to or on behalf of the Authority by the Commissioner or any District Director of Internal Revenue (or any other governmental official exercising the same or a substantially similar function from time to time) or (B) a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings by the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Authority shall receive notice from the Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder the interest on this Bond due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the County or the Authority have been afforded the opportunity, at

the sole expense of the County, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bondholder, the Authority shall immediately reimburse such Bondholder for any payments such Bondholder shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the County, or the failure to take any action by the County, or the making by the County of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Bond which has the effect of causing interest paid or payable on this Bond to become includable, in whole or in part, in the gross income of the Bondholder for federal income tax purposes.

“Taxable Rate” means the interest rate per annum that shall provide the Bondholder with the same after tax yield that the Bondholder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Bondholder as a result of such Determination of Taxability. The Bondholder shall provide the Authority with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Authority.

This Bond is subject to prepayment or redemption prior to maturity at the option of the Board of Supervisors of the County at any time, in whole or in part, upon fifteen (15) business days’ prior written notice to the Bondholder, upon payment of interest accrued to the redemption date and the principal amount of the Bond prepaid, without penalty.

This Bond is the Authority’s \$475,000 Revenue Bond, Series 2021E (the “**Bond**”), authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. The Bond is issued under the Bond Purchase Agreement among the Authority, the County of Floyd, Virginia (the “**County**”) and Skyline National Bank (the “**Lender**”), dated as of May 1, 2021 and secured by a Financing Agreement, dated as of May 1, 2021, between the Authority and the County (the “**Financing Agreement**”), which assigns to the Lender, as security for the Bond, the Authority’s rights under the Financing Agreement (except for the Authority’s rights under the Financing Agreement to the payment of certain fees and expenses as described in Section 4.1(b)(1) thereof and the right to receive notices). Reference is hereby made to the Bond Purchase Agreement and the Financing Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Lender, the rights of the holders of the Bond and the terms upon which the Bond is issued and secured. Terms not otherwise defined herein shall have the meaning assigned such terms in the Financing Agreement.

The Bond is issued for the purpose of providing funds to loan to the County, pursuant to the terms of the Financing Agreement, to finance vehicles and equipment for County use, including a garbage truck and an ambulance. Under the Financing Agreement, the County has agreed to make payments that will be sufficient to pay the principal of and premium, if any, and

interest on the Bond as the same shall become due in accordance with their terms and the provisions and the terms of the Financing Agreement. The obligation of the County to make payments under the Financing Agreement constitutes a current expense of the County, subject to annual appropriation by the Board of Supervisors of the County. The obligation of the County to make payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments.

**THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY UNDER THE FINANCING AGREEMENT, AS HEREINAFTER DEFINED, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF FLOYD, VIRGINIA (THE "COUNTY") AND THE AUTHORITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THE AUTHORITY HAS NO TAXING POWER.**

**NO COVENANT, CONDITION OR AGREEMENT CONTAINED HEREIN SHALL BE DEEMED TO BE A COVENANT, AGREEMENT OR OBLIGATION OF ANY PRESENT OR FUTURE DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF THE AUTHORITY IN HIS INDIVIDUAL CAPACITY, AND NEITHER THE CHAIRMAN OF THE AUTHORITY NOR ANY OFFICER THEREOF EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.**

The Bondholder shall not be required to present or surrender this Bond on a condition of receiving any payment due hereunder.

The Authority has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.



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

**IN WITNESS WHEREOF**, the Economic Development Authority of the County of Floyd, Virginia, has caused this Bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this Bond to be dated May \_\_, 2021.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF FLOYD COUNTY, VIRGINIA**

(SEAL)

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**ASSIGNMENT**

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

\_\_\_\_\_  
\_\_\_\_\_  
(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
: :  
: :  
: :  
\_\_\_\_\_

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof,  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed

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

\_\_\_\_\_  
(Signature of Registered Owner

NOTICE: The signature above must  
correspond with the name of the  
registered owner as it appears on the  
front of this Bond in every particular,  
without alteration or enlargement or any  
change whatsoever.

## SCHEDULE A



T.d.

ROBINSON, FARMER, COX ASSOCIATES, PLLC  
*Certified Public Accountants*

May 4, 2021

County of Floyd, Virginia  
Attn: Dr. Linda Millsaps, County Administrator and  
Members of the Board of Supervisors  
120 West Oxford Street  
Floyd, Virginia 24091

Dear Dr. Millsaps and Members of the Board:

We are pleased to confirm our understanding of the services we are to provide County of Floyd, Virginia, for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of County of Floyd, Virginia as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County of Floyd, Virginia's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County of Floyd, Virginia's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, if presented
- 2) Schedules related to pension and OPEB

The budgetary comparison information, presented as RSI, will be subjected to the auditing procedures applied in the audit of the basic financial statements and we will provide an in relation to opinion on it in related to the financial statements as a whole.

We have also been engaged to report on supplementary information other than RSI that accompanies the County of Floyd, Virginia's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards
- 2) Supplementary financial statements
- 3) Supporting schedules

**BLACKSBURG OFFICE:**  
108 South Park Drive  
Blacksburg, Virginia 24060  
(540) 552-7322

**CONTACT:**  
Scott Wickham, CPA, CFE  
Member  
swickham@rfca.com

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory section
- 2) Other statistical information

#### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Specifications of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of County of Floyd, Virginia. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards*

do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County of Floyd, Virginia's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could

have a direct and material effect on each of the County of Floyd, Virginia's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the County of Floyd, Virginia's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Other Services**

We will also assist in preparing the financial statements and the schedule of expenditures of federal awards, and related notes, and the data collection form of County of Floyd, Virginia in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and the schedule of expenditures of federal awards, and the related notes, and the data collection form services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

#### **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance



with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if applicable should be available for our review prior to final fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Board; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Robinson, Farmer, Cox Associates, "RFC" and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a state agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of RFC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Auditor of Public Accounts of the Commonwealth of Virginia. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately May 10, 2021 and to issue our reports no later than November 30, 2021. Scott Wickham, CPA, CFE is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be in accordance with the contract. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to County of Floyd, Virginia and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

**ROBINSON, FARMER, COX ASSOCIATES**



Scott Wickham  
Certified Public Accountant  
Member

**RESPONSE:**

This letter correctly sets forth the understanding of County of Floyd, Virginia.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_



**FLOYD COUNTY PUBLIC SCHOOLS**

**140 Harris Hart Road NE**

**Floyd, VA 24091**

**Telephone: (540) 745-9400 FAX: (540) 745-9496**

*7.e.*

May 10, 2021

Mr. Joe D. Turman, Chairman  
Floyd County Board of Supervisors  
P.O. Box 218  
Floyd, VA 24091

Dear Mr. Turman:

The Floyd County School Board requests the following revised revenue appropriation be made to the 2020-2021 school budget.

Type of Transaction	Source	Current Appropriation	Amount of Change	New Appropriation
Revenue	<b>Federal Funds</b>	\$ 2,253,402.00	\$ 36,708.57	\$ 2,290,110.57
	<b>State Funds</b>	\$ 13,089,473.00	\$ 26,500.00	\$ 13,115,973.00
	<b>Other Funds</b>	\$ 659,765.21		\$ 659,765.21
	<b>County Funds Operational</b>	\$ 7,672,080.00		\$ 7,672,080.00
	<b>County Funds Capital Outlay</b>	\$ -		\$ -
	<b>County Funds Debt Service</b>	\$ 889,311.00		\$ 889,311.00
	<b>County Funds Capital Improvement Fund</b>	\$ 56,580.30		\$ 56,580.30
	<b>Total Revenues for all Categories</b>	\$ 24,620,611.51	\$ 63,208.57	\$ 24,683,820.08

Changes that constitute this request are revenue changes from the following sources:

**Federal Funds:**

**\$36,708.57:** These funds are from the CARES Act ESSER & GEER Set-Aside funding. These funds have been expended on Special Education services & supports, facilities and cleaning supplies for the school division.

**State Funds:**

**\$26,500.00:** These funds have been awarded to be used for Positive Behavioral Intervention and Support for children throughout the school division.

I greatly appreciate your support of this request. Should you have any questions, please do not hesitate to contact me for assistance.

Sincerely,

John F. Wheeler, Ed. D.  
Division Superintendent



**FLOYD COUNTY PUBLIC SCHOOLS**

**140 Harris Hart Road NE**

**Floyd, VA 24091**

**Telephone: (540) 745-9400 FAX: (540) 745-9496**

May 10, 2021

Mr. Joe D. Turman, Chairman  
Floyd County Board of Supervisors  
P.O. Box 218  
Floyd, VA 24091

Dear Mr. Turman:

The Floyd County School Board requests the following revised expenditure appropriation be made to the 2020-2021 school budget.

Type of Transaction	Category	Current Appropriation	Amount of Change	New Appropriation
Expenditures	Instructional	\$ 15,252,519.52	\$ 34,601.57	\$ 15,287,121.09
	Administration	\$ 1,007,565.00		\$ 1,007,565.00
	Transportation	\$ 1,847,018.00		\$ 1,847,018.00
	Debt Service	\$ 889,311.00		\$ 889,311.00
	Facilities	\$ -		\$ -
	Operation & Maintenance	\$ 2,896,564.54	\$ 28,607.00	\$ 2,925,171.54
	Technology	\$ 1,540,630.45		\$ 1,540,630.45
	School Food	\$ 1,187,003.00		\$ 1,187,003.00
	<b>Total Expenditures</b>	<b>\$ 24,620,611.51</b>	<b>\$ 63,208.57</b>	<b>\$ 24,683,820.08</b>

Changes that constitute this request are expenditure changes from the following sources:

**Instruction:**

**\$8,101.57:** These funds are from the CARES Act ESSER & GEER Set-Aside funding. These funds have been expended on Special Education services & supports.

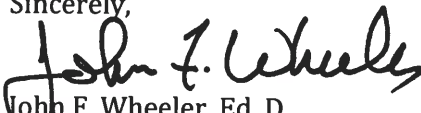
**\$26,500.00:** These funds have been awarded to be used for Positive Behavioral Intervention and Support for children throughout the school division.

**Operation & Maintenance:**

**\$28,607.00:** These funds are from the CARES Act ESSER & GEER Set-Aside funding. These funds have been expended on facilities and cleaning supplies for the schools.

I greatly appreciate your support of this request. Should you have any questions, please do not hesitate to contact me for assistance.

Sincerely,

  
John F. Wheeler, Ed. D.  
Division Superintendent

***Revealing Potential and Realizing Dreams***

7.f.

**Cindy Ryan**

**From:** Darin Boothe <boothed@floyd.k12.va.us>  
**Sent:** Tuesday, April 13, 2021 1:45 PM  
**To:** Linda Millsaps; Cindy Ryan  
**Cc:** John Wheeler  
**Subject:** Correction on recent Supplemental Revenue Appropriation letter

Good afternoon,

The grid below reflects what should have been asked for in the most recent supplemental revenue appropriation letter:

The Advancing Computer Science Education grant (\$77,166.00) is actually a state revenue, not federal revenue. Please let this email serve as documentation of the request. Thank you!

Type of Transaction	Source	Current Appropriation	Amount of Change	New Appropriation
Revenue	<b>Federal Funds</b>	\$ 2,180,748.00	\$ 72,654.00	\$ 2,253,402.00
	<b>State Funds</b>	\$ 13,012,307.00	\$ 77,166.00	\$ 13,089,473.00
	<b>Other Funds</b>	\$ 659,765.21		\$ 659,765.21
	<b>County Funds Operational</b>	\$ 7,672,080.00		\$ 7,672,080.00
	<b>County Funds Capital Outlay</b>	\$ -		\$ -
	<b>County Funds Debt Service</b>	\$ 889,311.00		\$ 889,311.00
	<b>County Funds Capital Improvement Fund</b>	\$ 56,580.30		\$ 56,580.30
	<b>Total Revenues for all Categories</b>	\$ 24,470,791.51	\$ 149,820.00	\$ 24,620,611.51

*Darin Boothe*

Darin Boothe, Certified Administrator of School Finance and Operations  
 Finance Director, Floyd County Public Schools  
 540-745-9404



FLOYD COUNTY TREASURER'S OFFICE

Melissa M. Keith, Treasurer

100 East Main Street, Room 202, Floyd, Virginia 24091

Telephone 540-745-9357 Fax 540-745-9364

7. g.

DATE: April 23, 2021  
TO: Governing Body of Floyd County  
FROM: Melissa M. Keith, Treasurer  
RE: Petition for authorization to destroy office records

.....

Please consider this as a request for permission to destroy Treasurer office records(by purging from the BAI system cash register files) consisting of paid Real Estate and Personal Property Tax information for the years thru 2015, unpaid Real Estate thru 2000, unpaid Personal property thru 2015, Dog Tags thru 2017 and the following cash register entries thru 2015; UTIL(consumer utility tax), GEN(general fund entries), GESR(commonwealth money entries), COMPTX(consumption tax), WIREL(consumers tax on mobile phones), LFMS(landfill collection fees), OPAY(overpayments), EXPGEN(general expenditure refunds), SCLR(school funds), SCSR(school revenue from the commonwealth), LLLF(law library), SFZP(subdivision fees), BLDG(building two percent tax), BPER(building permits), LFCF(green box collections fees), LFTF(tipping fees), CHMF(court house maintenance), LSTX(local sales tax), SWMR(special welfare payments received), WSWF(special welfare payments made), SJUR(state jury money), SSHF(sheriff's fees), MNOTL(miscellaneous not listed), and II01(interest thru cash drawer).

Based on the regulation of The Library of Virginia -Records Management and Imaging Services Division we are required to petition the governing body for authorization to destroy records per Code of VA. § 58.1-3129. Destruction of paid tax tickets; other tax tickets; records.

The Purging process will take place in office and will help us maintain efficient use of the cash register system by removing the paid records that are no longer required yet take up storage space. Thank you for your consideration.

Melissa M. Keith  
Floyd County Treasurer

7.h.

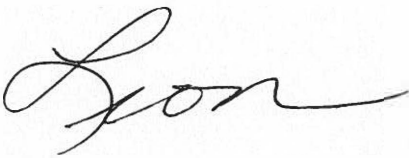
May 7, 2021

To: Mr. Joe Turman, Chairman of the Floyd County Board of Supervisors

From: Mr. Leon Moore, Chairman, Ninth District Development Financing, Inc.

RE: Appointment to Ninth District Development Financing, Inc.

When I met with the new County Administrator, Dr. Linda Millsaps, she asked if I would be interested in continuing to serve on the Ninth District Development Financing, Inc. as my appointment would be expiring soon. I have been in this position since the corporation's inception in 1995 and I would be interested in continuing in the appointment. I am proud of the many cultural assets and natural beauty of Southwest Virginia, including here in Floyd County, that have been served by this fund.

A handwritten signature in cursive script, appearing to read "Leon", is located in the lower-left quadrant of the page.



7.i.  
**NEW RIVER**  
**Community College**  
5251 College Drive, Dublin, Virginia 24084-3660

March 3, 2021

Dr. Linda S. Millsaps  
Floyd County Administrator  
120 West Oxford Street  
Floyd, VA 24091

Dear Dr. Millsaps:

The current term of Floyd County's representative to the New River Community College (NRCC) Board, Dr. Peggy Dewald-Link, expires June 30, 2021. NRCC Board members are appointed to serve four-year terms and are permitted to serve two consecutive full terms to allow for continuity in the development of the college. Since Dr. Dewald-Link's beginning date was March 26, 2019 and was to fill an unexpired term, she is eligible for reappointment.

Would you please begin the process of reappointing Dr. Dewald-Link or appointing a new member to the NRCC Board to represent Floyd County? A set of criteria for selection of community college board members is enclosed. Those categories which have board representation at this time have been highlighted.

Should you have questions or need additional information, please contact me or Mrs. Kathy Ridpath, administrative assistant, at (540) 674-3601.

Sincerely,



Pat Huber  
President

PH/kr

Enclosure

c: Dr. Peggy Dewald-Link

*I look forward to an opportunity  
to meet you - Pat*

## Cindy Ryan

---

**From:** Jim Link <link@swva.net>  
**Sent:** Saturday, May 1, 2021 10:36 AM  
**To:** Cindy Ryan  
**Subject:** NRCC Board Representative from Floyd County

Dear Cindy,

Per our telephone conversation of Friday, April 30<sup>th</sup>. I understand that my current appointment on the Board of NRCC representing Floyd County will end on June 30<sup>th</sup>. I am writing to confirm that I have an interest in continuing to represent Floyd County on the Board. If additional information is needed, please do not hesitate to contact me.

Sincerely,  
Peggy  
Margaret R. Dewald-Link, Ph.D.



**New River  
Community Action**  
*Serving Since 1965*

1.3.

**Administration**

1093 East Main Street  
Radford, Virginia 24141  
Phone 540-633-5133  
Fax 540-633-2585  
Email: nrca@nrcaa.org

Website: [www.newrivercommunityaction.org](http://www.newrivercommunityaction.org)

**Programs**

March 25, 2021

*Blacksburg Interfaith  
Food Pantry*

*CHIP  
(Children's Health  
Improvement  
Partnership)*

*Emergency Assistance  
and Food Pantries*

*Floyd Backpack Program*

*Head Start*

*Homeless & Housing  
Programs*

*To Our House*

*VA CARES  
(Virginia Community  
Action Re-Entry System)*

*VITA  
(Volunteer Income Tax  
Assistance)*

*Whole Family*

The Honorable Joe Turman, Chairman  
Floyd County Board of Supervisors  
PO Box 218  
Floyd, VA 24091

Dear Mr. Turman:

The Board of Directors of New River Community Action, Inc. requests the Floyd County Board of Supervisors to appoint a representative to our Board. Our by-laws require this appointment biannually. The representative must reside in Floyd County.

Participation on our Board includes monthly attendance at agency Board meetings usually held the third Thursday of each month at 7:00 p.m. at our office in Radford. Your chosen representative may expect to serve on a committee of the Board of Directors, also. Service on the NRCA Floyd Local Advisory Board is optional but encouraged. Please share the enclosed packet of information with potential candidates as it contains requirements for Board attendance.

Mr. John McEnhill, who currently represents Floyd County, has served faithfully as a member of the NRCA Board. His continued service to New River Community Action would be most welcome. Mr. McEnhill has expressed his willingness to serve another term.

Please notify me of the Board of Supervisors' appointment as soon as possible so that we might seat your appointee at our July meeting. The term of service will be July 2021 through June 2023.

Please do not hesitate to contact me at 633-5133, ext. 416 or [tsmusz@nrcaa.org](mailto:tsmusz@nrcaa.org) if you need clarification or further information. Thank you for your assistance.

I look forward to hearing from you.

Sincerely,

*Terry O. Smusz*  
Terry Smusz  
Chief Executive Officer

✓cc: Dr. Linda Millsaps, Floyd County Administrator

**John McEnhill**  
P.O. Box 43, Willis, VA 24380  
789-8494 • johnmcenthill@gmail.com

March 31, 2021

Floyd County Board of Supervisors  
PO Box 218  
Floyd, VA 24091

Dear Members of the Floyd County Board of Supervisors,

This letter is to confirm my strong interest in continuing to serve on the New River Community Action, Inc. Board of Directors (Executive Board) as the local government representative for Floyd. I am requesting reappointment for an additional two-year term starting on July 1, 2021. I have served on this board since 2002.

I have been Chair of the NRCA Board of Directors since Fall, 2012. Currently, I am leading the board selection committee's hiring process for a new CEO. As you know from last year's annual NRCA presentation, Terry Smusz – NRCA's CEO, is retiring on June 30<sup>th</sup> after 32 years of service. I very much would like continue one more term to assist with the CEO transition and provide "institutional memory" support.

I place great importance on attendance, having missed only 5 monthly board meetings over the past 19 years, with no absences for over a decade. I attend multiple board committee meetings each month along with a weekly phone meeting with the CEO. I also represent our region at state and national conferences for community action organizations.

I maintain strong involvement at the county level and I am proud of NRCA's local accomplishments over the years. NRCA has served Floyd County since 1965.

I have a strong background in nonprofit operations, particularly in governance and fiscal management, that continues to serve me well in my board service.

Thank you for your consideration.

Sincerely,



John McEnhill

T.K.

**Cindy Ryan**

---

**From:** Cline Hall <cline.hall45@gmail.com>  
**Sent:** Friday, April 30, 2021 5:29 PM  
**To:** Cindy Ryan  
**Subject:** Re: Uniform Statewide Building Code Local Board of Appeals

Good Morning, Cindy. Please enter my name to serve on the Uniform Statewide Building Code Local Board of Appeals for the next term beginning July 1st 2021. If you need additional information please let me know.

Sincerely  
Cline S. Hall

On Fri, Apr 30, 2021 at 2:25 PM Cindy Ryan <[cryan@floydcova.org](mailto:cryan@floydcova.org)> wrote:

Good Morning Mr. Hall,

Your term of service on the Uniform Statewide Building Code Local Board of Appeals will expire June 30, 2021. The position will not be advertised in the newspaper; however for public notice the position along with others will be on the County web page and on Facebook. If you are willing to serve in the position again, and we hope you are willing to do so, please send an email of interest to me.

Thanks,

Cindy

## Cindy Ryan

---

**From:** kempant@aol.com  
**Sent:** Friday, April 30, 2021 11:57 AM  
**To:** Cindy Ryan  
**Subject:** Re: Please send email stating interest

To Whom it May Concern,  
I will be interested in serving for another term on the USBC Board of Appeals.  
Thanks, Carl Kempa

On Friday, April 30, 2021, 10:48:01 AM EDT, Cindy Ryan <cryan@floydcova.org> wrote:

Good Morning Mr. Kempa,

Your term of service on the Uniform Statewide Building Code Local Board of Appeals will expire June 30, 2021. The position will not be advertised in the newspaper; however for public notice the position along with others will be on the County web page and on Facebook. If you are willing to serve in the position again, and we hope you are willing to do so, please send an email of interest to me.

Thanks,

Cindy

7.1.

**John McEnhill**  
P.O. Box 43, Willis, VA 24380  
789-8494 • johnmcenhill@gmail.com

April 30, 2021

Floyd County Board of Supervisors  
PO Box 218  
Floyd, VA 24091

Dear Members of the Floyd County Board of Supervisors,

This letter is to confirm my strong interest in serving another term on the Floyd County Social Services Board - Indian Valley District seat.

I feel that serving on the Social Services board has complimented my long-time service on the NRCA board of directors and vice versa. I take my responsibilities as a board member very seriously and am proud of my role in hiring the current Floyd DSS Director, Chad Alls.

Thank you for your consideration.

Sincerely,



John McEnhill