

**BOARD OF SUPERVISORS
SPECIAL CALLED MEETING
WEDNESDAY, SEPTEMBER 8, 2021
6:00 P.M.**

The Appomattox County Board of Supervisors held a special called meeting on Wednesday, September 8, 2021 at 6:00 p.m. in the County Administration Office located at 153A Morton Lane, Appomattox, Virginia.

Appomattox County Board of Supervisors

Present:

Samuel E. Carter	Courthouse District
William H. Hogan	Appomattox River District
Watkins M. Abbitt	Piney Mountain District
John F. Hinkle	Falling River District
Trevor L. Hipps	Wreck Island District

Also, Present:

Susan M. Adams, County Administrator
Wanda McCormick, Administrative Assistant/Accounts Payable Clerk
Kayla Marshall, Finance Officer Administrator

CALL TO ORDER – Chairman Carter called the meeting to order at 6:00 p.m.

Pledge of Allegiance

Invocation – Mr. Abbitt

ACTION ITEMS

School Construction – Option 1 or Option 2

Mr. Jimmy Sanderson, Senior Vice President with Davenport & Company addressed the Board to discuss financing Option 1 (The County repays principal beginning in FY 2023) or Option 2 (The County repays principal beginning in FY 2028 to coincide with the drop in existing debt payments) for the Farmer's Bank loan, as presented at the August, 2021 Board of Supervisors meeting.

Motion made by Mr. Hinkle, seconded by Mr. Abbitt to approve financing Option 2, the County repays principal beginning in FY 2028 to coincide with the drop in existing debt payments. Chairman Carter called for a roll call vote: Mr. Abbitt, yes; Mr. Hinkle-yes; Mr. Hipps-yes; Mr. Hogan-yes; Mr. Carter-yes.

Motion made by Mr. Hinkle, seconded by Mr. Abbitt to amend the Resolution for the Farmers Option to change the date in paragraph #5, line #5 to November 1, 2027. Chairman Carter called for a roll call vote: Mr. Abbitt, yes; Mr. Hinkle-yes; Mr. Hipps-yes; Mr. Hogan-yes; Mr. Carter-yes.

School Construction Funding Resolution

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF APPOMATTOX, VIRGINIA
(FARMERS OPTION)**

WHEREAS, the Board of Supervisors **(the “Board of Supervisors”)** of the County of Appomattox, 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 August 2, 2021 **(the “Proposal”)** from The Farmers Bank of Appomattox **(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 Appomattox County, Virginia **(the “Authority”)** to (a) issue, offer and sell its lease revenue bond in an amount of approximately \$10,000,000 **(the “Bond”)** to finance school capital improvements in the County, including but not limited to, renovations and improvements to Appomattox County High School **(the “Projects”)**, (b) lease the County’s High School building property **(the “Leased Property”)** from the Appomattox County School Board **(the “School Board”)** for an approximately twenty-six year term under a Ground Lease (as defined below), and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a Lease Agreement (as defined below) with the Authority and (c) secure the Bond by an assignment of its rights under such Lease Agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) and the Ground Lease under an Assignment Agreement (as defined below), which is to be acknowledged and consented to by the County and the School Board, all in accordance with a Bond Purchase Agreement (as defined below);

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

- a. a Ground Lease, dated as of September 1, 2021, between the School Board and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein **(the “Ground Lease”)**;
- b. a Lease Agreement, dated as of September 1, 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 September 1, 2021 among the Authority, the County and the Lender, pursuant to which the Bond is to be

issued **(the “Bond Purchase Agreement”)**;

- d. an Assignment Agreement, dated as of September 1, 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 and the School Board **(the “Assignment Agreement”)**;
- e. a specimen Bond.

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

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

2. The Authority is hereby requested to undertake the issuance of the Bond, to loan the proceeds of the Bond for the financing of the Projects and to secure the Bond 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 Bond.

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 Bond, which shall be sold to the Lender with the payments corresponding to the following terms of the Bond: (a) the Bond shall be in the principal amount not to exceed \$10,000,000, (b) the Bond shall have a fixed interest rate not to exceed 1.99%, during the initial “interest only” period through **November 1, 2027** and a fixed interest rate not to exceed 1.89% thereafter, (c) the Bond shall have an amortization of approximately 21 years from its date of issuance, maturing no later than May 1, 2042 and (d) such Bond shall be 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 issuance of the Bond, the Chairman shall evidence his approval of the final terms and purchase price of the Bond by executing the Bond Purchase Agreement. The actions of the Chairman in approving the terms of the Bond 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 Lender and its representatives to perform all services and prepare and execute all documentation necessary to issue the Bond, 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 of the Bond 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 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 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 Bond.

8. All costs and expenses in connection with the financing of the Projects and the issuance of the Bond, including the Authority’s fees and expenses and expenses of bond counsel, the County Attorney, the County’s Financial Advisor, counsel for the Authority, and the Lender shall be paid from the proceeds of the Bond or other legally available funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall

be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. 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 Bond and the financing of the Projects are hereby approved and ratified.

10. This Resolution shall take effect immediately.

Motion made by Mr. Hogan, seconded by Mr. Hinkle to approve and adopt the Resolution for the Farmers Option, as amended, the Bond Purchase Agreement and the Lease Agreement. Chairman Carter called for a roll call vote: Mr. Abbitt, yes; Mr. Hinkle-yes; Mr. Hipps-yes; Mr. Hogan-yes; Mr. Carter-yes.

UPCOMING MEETINGS

Monday, September 20, 2021 @ 6:30 P.M.
Regular Scheduled Meeting
Board of Supervisors Meeting Room
171 Price Lane, Appomattox, Virginia

ADJOURNMENT

Motion made by Mr. Abbitt, seconded by Mr. Carter and carried with all other members present and voting yes to adjourn the meeting at 6:18 p.m. and then tour the Appomattox County Animal Shelter located at 3074 Morning Star Road.

Samuel E. Carter, Chairman