

VIRGINIA:

A meeting of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, July 27, 2017.

Members Present: William R. Lee, Chair
F. W. Jenkins, Jr., Board Member
Jason D. Bellows, Board Member
B. Wally Beauchamp, Board Member

Staff Present: Frank A. Pleva, County Administrator
Don G. Gill, Planning and Land Use Director
Crystal Whay, Building/Land Use Secretary

Mr. Lee called the meeting to order at 7:00 p.m. He stated that Mr. Palin was out of town and would not be able to attend.

PUBLIC INPUT

Mr. David Herndon, a District 3 citizen, stated that there is a problem on the narrow western part of Dymer Creek. He stated that boats are coming into the creek at excessive speeds creating wakes that are causing erosion and damaging piers and boats. He stated that he would like to request that the Board of Supervisors hold a formal hearing next month, so that his group can petition to install two no-wake buoys in the creek.

Mr. Pleva stated that he had given Mr. Herndon's letter to the Board members. He stated that the statute says a public hearing may be held, and to be consistent, there has been a public hearing held in the past for such requests. He stated that he would recommend that the Board make a motion to schedule a public hearing at next month's regular meeting.

Mr. Bellows made a motion to schedule a public hearing at next month's regular Board meeting for the no-wake buoys placement in Dymer Creek.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye

B. Wally Beauchamp Aye

PRESENTATIONS

None.

VIRGINIA DEPARTMENT OF TRANSPORTATION

None.

PUBLIC HEARING

None.

CONSENSUS DOCKET

Motion was made by Mr. Jenkins to approve the Consensus Docket and recommendations as follows:

1. Minutes for June 22nd Budget Public Hearing, June 27th Closed Meeting and June 29th Regular Meeting

Recommendation: Approve minutes as submitted

2. Letter Recognizing the 100th Birthday of James Albert Howard

Recommendation: Approve letter as submitted

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

CONSIDERATION DOCKET

The Board considered the following items on its Consideration Docket:

1. Approval of July 2017 Salaries and Invoice Listings

The motion was made by Mr. Bellows to approve the salaries for July 2017 in the amount of \$267,933.60 and invoice listings for July 2017 in the amount of \$896,507.79*.

- *Capital Improvements - \$49,403.98
- *Greentown/Gaskins Road - \$60,895.00
- *Loan Payments - \$63,358.81

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

2. Request for Pump and Haul – Michael Nonnemacker

Mr. Lee asked Mr. Gill to present the issue.

Mr. Gill stated that the issue was a request for pump and haul septic disposal by Michael L. Nonnemacker for a 6.998-acre parcel described as Tax Map #28-20B. He stated that the property is zoned C-1, Commercial Conditional and is located off Irvington Road across from the Dreamfields Ballpark in District 4.

Mr. Gill stated that a Permanent Pump and Haul Agreement and General Permit was issued to the Lancaster County Board of Supervisors on August 24, 2007, which allows the County to grant permission to certain parcels to use pump and haul as their means of sewage disposal. He stated that previous approvals by the Board of Supervisors have required a \$1,000 bond and three-year renewals to guarantee performance of this arrangement.

Mr. Gill stated that on August 25, 2016, the Board of Supervisors rezoned this parcel to C-1 Commercial, conditioned on the applicant's proffer that only four uses would be allowed there: 1) office buildings, business offices and banks, 2) service stations-with major repair under cover, 3) auto sales and service and 4) retail, wholesale and processing activities not objectionable because of dust, noise or odors.

Mr. Gill stated the applicant is in the process of building his service/repair shop, but this operation will be his secondary job when he has time off from his primary employment on a tugboat. He stated that since this will be his secondary source of income, the applicant is looking to cut expenses by not putting in the drainfield at this time and utilizing pump and haul until the operation generates some income. He stated that this operation will only have one person on a daily

basis for approximately two weeks each month, so pump and haul would seem to be justified at this early stage.

Mr. Lee made a motion to Approve the Request for Pump and Haul Septic Disposal by Michael Nonnemacker for Tax Map #28-20B with a \$1,000 bond and three year renewals.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

3. Resolution Authorizing a \$2.5 Million Revenue Anticipation Note

Ms. Bonnie Dickson, County Treasurer, stated that at last month's meeting, she sought permission from the Board to start the process for the \$2.5 million dollar revenue anticipation note. She stated that the resolution before the Board is the first step in the process and makes it formal. She stated that the request for proposals has gone out, but the resolution is needed on file to formalize the bond issue. She referred to page four and stated that the request for proposals indicates that the interest rate will not exceed three percent and there will be no pre-payment penalty. She further stated that the request includes two different maturity dates. She stated that the first maturity date was December 31, 2017 and the second date was June 30, 2018. She stated that the reason for the two dates was to see if there was any difference in interest rates.

Ms. Dickson read a portion of the first paragraph, "The Chairman is hereby authorized to determine the final interest rate, interest payment dates, redemption dates, principal amount and maturity date of the note, subject to the parameters herein and based on the advice and recommendations of the County Treasurer, County Administrator and the County's Financial Advisor, whose determination thereof shall be conclusively confirmed by such Chairman's execution thereof." She stated the reason for that language was because the requests for proposals will need to be reviewed and a determination made around the 10th or 11th of August. She stated that she would like the Board to authorize Mr. Lee to make the final determination with her at that time instead of waiting until the regular Board meeting at the end of the month.

Mr. Pleva stated that Davenport and Company, the County's financial advisors recommended that language and the resolution was drafted by Dan Siegel of Sands Anderson.

Mr. Bellows made a motion to Approve the Resolution Authorizing a \$2.5 Million Dollar Revenue Anticipation Note.

A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$2,500,000 PRINCIPAL AMOUNT OF A REVENUE ANTICIPATION NOTE OF THE COUNTY OF LANCASTER, VIRGINIA, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

**Adopted July 27, 2017
TABLE OF CONTENTS**

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

“**Commonwealth**” shall mean the Commonwealth of Virginia.

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

“**Interest Account**” shall mean the Interest Account in the Note Fund established by Section 6.

“**Interest Payment Date**” shall mean the Maturity Date.

“**Maturity Date**” shall mean a date designated by the Chairman but not later than June 30, 2018.

“**Note Fund**” shall mean the Note Fund established by Section 6.

“**Note or Notes**” shall mean the revenue anticipation note of the County, Series 2017, in the aggregate principal amount of up to \$2,500,000 authorized to be issued hereunder.

“**Note Period**” shall mean the period beginning on the Closing Date and ending on the Maturity Date.

“**Clerk**” shall mean the Clerk of the Board.

“**Closing Date**” shall mean the date on which the Note is issued and delivered to the Noteholder.

“**Noteholder**” or “**Holder**” shall mean the lender designated by the Chairman based on the evaluation of responses to the County’s request for proposals, as registered owner of the Note.

“Outstanding” when used in reference to the Note shall mean, as of a particular date, the Note authenticated and delivered under this Resolution except:

- (i) any Note cancelled by the County at or before such date;
- (ii) any Note for the payment of which cash equal to the principal amount thereof, with interest to the date of maturity, shall have been deposited with the Paying Agent prior to maturity;
- (iii) any Note for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, for which notice of redemption or purchase shall have been given in accordance with the Resolution;
- (iv) any Note in lieu of, or in substitution for, which another Note shall have been authenticated and delivered pursuant to this Resolution; and
- (v) any Note deemed paid under the provisions of Section 9, except that any such Note shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.

“Paying Agent” shall mean the County Treasurer acting as Paying Agent hereunder as designated and authorized under Section 3 or its successors or assigns serving as such hereunder.

“Principal Account” shall mean the Principal Account in the Note Fund established by Section 6.

“Proceeds Fund” shall mean the Proceeds Fund established by Section 4.

“Registrar” shall mean the Paying Agent, or its successors or assigns serving as such hereunder.

Section 2 - Findings and Determinations

The Board hereby finds and determines that (i) the County is in need of funds to meet appropriations made for the current fiscal year which began on July 1, 2017 in anticipation of the collection of tax and other revenues during the same fiscal year, to be paid for by such revenues (ii) the obtaining of such funds will be for the welfare of citizens of the County for purposes which will serve the County and its citizens, (iii) the most effective and efficient manner in which to provide such funds to the County is by a revenue anticipation note issued by the County to be sold to the Noteholder and (iv) the issuance of the Note is in the best interests of the County and its citizens.

Section 3 - Authorization, Form and Details of the Note

There is hereby authorized to be issued a revenue anticipation note of the County in the aggregate principal amount of up to \$2,500,000. The Note authorized herein shall be designated "Revenue Anticipation Note, Series 2017," shall be issuable as a fully registered note, without coupons, in denominations of \$5,000 or any whole multiple thereof, shall be dated the Closing Date, shall be numbered R-1 upwards, shall bear interest payable on the Maturity Date at a rate per annum not to exceed 3.00% and the Note shall mature on the Maturity Date. The Note may be prepaid, without penalty, in whole or in part, at any time, upon 5 days notice to the Noteholder. The Chairman is hereby authorized to determine the final interest rate, interest payment dates, redemption dates, principal amount and Maturity Date of the Note, subject to the parameters herein, and based on the advice and recommendations of the County Treasurer, County Administrator and the County's Financial Advisor, whose determination thereof shall be conclusively confirmed by such Chairman's execution thereof.

The Note is hereby authorized to be issued under the Act. The Note shall bear interest from the date on which it is authenticated. Interest on the Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year.

Principal of, premium, if any, and interest on, the Note shall be payable in lawful money of the United States of America. Interest on the Note shall be payable on the Maturity Date [(December 31, 2017/June 30, 2018)] by check or draft from the County to the Holder of the Note at its address as it appears on the registration books kept by the Registrar as of the 15th day of the month on which an Interest Payment Date occurs. Principal of the Note shall be payable at the principal office of the Paying Agent upon presentation and surrender of the Note on the Maturity Date. Upon written request in form satisfactory to the County and the Registrar, signature guaranteed, by the registered Holder of at least \$500,000 aggregate principal amount of Note and upon receipt of such Note by the County, principal and/or interest shall be payable by wire transfer in immediately available funds.

The Note shall be printed, lithographed or typewritten and shall be substantially in the form hereinbelow set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution, including such variations, insertions and omissions as shall be necessary to issue the Note under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Note and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

If any principal of, or interest on, the Note is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate as set forth in such Note.

The Note shall be signed by the facsimile or manual signature of the Chairman. The facsimile of its seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or facsimile of whose signature shall appear on any Note shall cease to be such officer before delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery.

The Note shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate each Note with the signature of an authorized officer of the Registrar, but it shall not be necessary for the same officer to authenticate all of the Notes. Only such authenticated Note shall be entitled to any right or benefit under this Resolution, and such certificate on any Note issued hereunder shall be conclusive evidence that the Note has been duly issued and is secured by the provisions hereof.

The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Note. The County Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of any Note may be registered only on the books kept for the registration and registration of transfer of the Note upon surrender thereof to the Registrar together with an assignment duly executed by the registered holder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the County shall execute and the Registrar shall authenticate and deliver, in exchange of such Note, a new registered Note registered in the name of the transferee of the same series, maturity and interest rate as the Note so exchanged in any denomination or denominations authorized by this Resolution.

The Registrar shall not be required to make any such registration or registration of transfer during the five (5) days immediately preceding the Maturity Date or a redemption date. Prior to due presentment for registration of transfer for any Note, the Registrar shall treat the registered holder as the person exclusively entitled to payment of principal of, premium, if any, and interest on, such Note and the exercise of all other rights and powers of the Holder.

If any Note has been mutilated, lost or destroyed, the County shall execute and the Registrar shall authenticate and deliver a new Note of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the County and the Registrar shall execute, authenticate and deliver such Note only if the Holder has paid the reasonable expenses and charges of the County and the Registrar in connection therewith and, in the case of a lost or destroyed Note, has furnished to the County and the Registrar (a) evidence satisfactory to them that such Note was lost or destroyed and the Holder was the Owner thereof and (b) indemnity satisfactory to them. If any Note has matured, instead of issuing a new Note, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity. Any Note which has been paid (whether at

maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation shall not be reissued and the Registrar shall, unless otherwise directed by the County, cremate, shred or otherwise dispose of such Note. The Registrar shall deliver to the County a certificate of any such cremation, shredding or other disposition of any Note.

The Note, the Certificate of Authentication and the provision for the assignment to be inserted in the Note shall be substantially in the following forms, to-wit:

“FORM OF NOTE”

No. N-1

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA, LANCASTER COUNTY**

REVENUE ANTICIPATION NOTE, SERIES 2017

Dated: **August __, 2017**
Maturity Date: **June 30, 2018**
(December 31, 2017)

Registered Holder:

Principal Sum: **UP TO TWO MILLION FIVE HUNDRED THOUSAND AND
00/100 DOLLARS (\$2,500,000)**

Interest Rate:

KNOW ALL MEN BY THESE PRESENTS, that the County of Lancaster, Virginia (**hereinafter sometimes referred to as the “County”**), a county and political subdivision of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, on the Maturity Date (specified above), subject to prior redemption as hereinafter provided the Principal Sum advanced hereunder (specified above) upon presentation and surrender of this Note at the principal corporate office of the Lancaster County Treasurer, Lancaster, Virginia, (**the “Paying Agent”**), and to pay interest on said Principal Sum on the Maturity Date (**an “Interest Payment Date”**), at the rate per annum (specified above).

Both principal of, premium, if any, and interest on, this Note are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

No registration, transfer or exchange of this Note shall be permitted within five (5) days of an Interest Payment Date or the Maturity Date or the date of redemption of this Note.

This Note is an authorized series in the aggregate principal amount of up to \$2,500,000 of like date and tenor herewith, except for number and denomination and is

issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of Virginia, including Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, and the resolution duly adopted under said Chapter by the Board of Supervisors of the County on July 27, 2017 (**the “Resolution”**).

This Note shall bear interest from the date on which this Note is authenticated. Interest on this Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year. This Note may be prepaid, without penalty, in whole or in part, at any time upon 5 days notice to the Noteholder.

This Note is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Note (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Resolution, and thereupon as provided in the Resolution a new Note or Notes, in the aggregate principal amount and in the authorized denominations and of the same series, interest rate and maturity as the Note surrendered, shall be issued in exchange therefor. The County and the Registrar shall deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

THIS NOTE AND THE ISSUE OF WHICH THIS IS ONE IS A GENERAL OBLIGATION OF THE COUNTY FOR THE PAYMENT OF WHICH THE COUNTY’S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE COUNTY BOARD OF SUPERVISORS IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE COUNTY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE NOTE, TO THE EXTENT OTHER FUNDS OF THE COUNTY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Resolution and to all of the provisions thereof to which any holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and nature and extent of the security for the Note; the conditions upon which the Resolution may be amended or supplemented without the consent of the holder of any Note and upon which it may be amended only with the consent of the holder of the Note affected thereby; the rights and remedies of the holder hereof with respect

hereto; the rights, duties and obligations of the County; the provisions discharging the Resolution as to this Note and for the other terms and provisions of the Resolution.

This Note shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note and the series of which it is a part, do exist, have happened and have been performed in regular and due time, form and manner as required by law; that the series of which this Note is a part does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Note and the series of which it is a part, as provided in the Resolution.

IN WITNESS WHEREOF, the County of Lancaster, Virginia, by its Board of Supervisors has caused this Note to be signed by the Chairman and attested by the Clerk of said Board, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Note to be dated as set forth above.

(SEAL)

Clerk of the Board of Supervisors
of the County of Lancaster, Virginia

Chairman of the Board of Supervisors
of the County of Lancaster, Virginia

CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within-mentioned Resolution.

REGISTRAR - LANCASTER COUNTY

TREASURER

By: _____

Lancaster County Treasurer **DATE OF AUTHENTICATION:**

August __, 2017

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns, and transfers unto

Please insert social security number or other tax identification number of assignee:
[_____]

Name and address of assignee, including zip code: _____ the within mentioned Note and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

NOTE: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

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

Section 4 - Creation of Proceeds Fund

There is hereby established a trust fund to be designated the “Lancaster County Proceeds Fund, Lancaster County Revenue Anticipation Note, Series 2017.”

Section 5 - Payments into Proceeds Fund

All funds received from the proceeds of the sale of the Note less costs of issuance shall be deposited into the Proceeds Fund to be used in the manner provided in Section 2.

Section 6 - Creation of Note Fund

There is hereby established a trust fund to be designated the “Lancaster County Note Fund, Lancaster County Revenue Anticipation Note, Series 2017” in which Note Fund there is hereby established an Interest Account and a Principal Account. As and when received,

monies shall be deposited into the Note Fund, and payments from the Note Fund shall be made as follows:

(a) to the Interest Account in the Note Fund subject to credit, if any, for proceeds of the Note deposited therein on the Maturity Date, an amount equal to the amount of interest that will become due on the Note on the Interest Payment Date; and

(b) to the Principal Account in the Note Fund on the Maturity Date, an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Note on the Maturity Date.

Section 7 - Accounts Within Funds

Any fund or account created by this Resolution may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.

Section 8 - Investment of Funds

(a) The County shall separately invest and reinvest any monies held in the funds established by this Resolution in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Note can be paid when due.

(b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 et seq.) and which are otherwise in compliance with Section 15.2-2625 of the Act.

Section 9 - Defeasance

The obligations of the County under this Resolution and covenants of the County provided for herein shall be fully discharged and satisfied as to any Note and such Note shall no longer be deemed to be Outstanding thereunder when such Note shall have been purchased by the County and cancelled or destroyed, when the payment of principal of such Note, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with the Paying Agent for such Note, money sufficient to make such payment, or direct and general obligations of, or obligations the principal of, and interest on, which are guaranteed by, the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.

Section 10 - General Obligation

The Board, in accordance with Section 15.2-2624 of the Act, is hereafter authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if

any and interest on the Note, to the extent other funds of the County are not lawfully available and appropriated for such purpose.

Section 11 - Event of Default

Each of the following shall constitute an event of default hereunder:

(a) The failure to pay the principal of, and premium, if any, on, the Note when due;

(b) Failure to pay interest on the Note when due;

(c) Failure of the County to perform any other covenant or agreement contained in this Resolution, which failure shall have continued for 60 days after the notice thereof from the Holders of not less than twenty percent (20%) of the Note Outstanding; provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;

(d) The instituting of any proceeding with the consent of the County for the purpose of effecting composition between the County and its creditors or for the purpose of adjusting the claims of creditors pursuant to any federal or state statute; or

(e) If the County for any reason shall be rendered incapable of fulfilling its obligations under this Resolution.

Upon the occurrence of an Event of Default, the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may declare the principal of all of the Outstanding Note and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Note shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Holders of such majority in principal amount of the Outstanding Note may waive such default and annul such declaration.

If an Event of Default shall have occurred and be continuing, then the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may call a meeting of the Holders of the Note for the purpose of selecting a Noteholders' committee (**the "Noteholders Committee"**). At such meeting the Holders of not less than a majority in principal amount of the Outstanding Note must be present in person or by proxy in order to constitute a quorum for the transaction of business. A quorum being present at such meeting, the Noteholders present may, by a majority of the votes cast, elect one or more persons who may or may not be Noteholders to the Noteholders' Committee. The Noteholders' Committee is empowered to exercise, as trustee for the Noteholders, all the rights and powers conferred on any Noteholder in the Resolution. In case an Event of

Default shall occur, subject to the provisions referred to in the preceding paragraph, the Holder of any Outstanding Note shall have the right for the benefit of all Holders of the Note, to protect the rights vested in such Holders by the Resolution by such appropriate judicial proceeding as such Holders shall determine either by suit in equity or by action at law.

Section 12 - Enforcement by Noteholder

Any Holder of a Note may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Resolution and every provision and covenant thereof, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the County by the Resolution by the applicable laws of the Commonwealth.

Section 13 - Modification of Note Resolution

The County may without the consent of any Noteholder make any modification or amendment of this Resolution required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Noteholders additional rights.

The Holders of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Outstanding Note shall have the power to authorize any modifications to this Resolution proposed by the County other than as permitted above; provided that without the consent of the Holder of each Note affected thereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, any Note or reduce the principal amount thereof or the rate of interest thereon; (b) give to any Note any preference over any other Note secured equally and ratably therewith; (c) deprive any Noteholder of the security afforded by this Resolution, or (d) reduce the percentage in principal amount of the Note required to authorize any modification to the Resolution.

Section 14 - Application of Proceeds; Sale of Note

Proceeds derived from the sale of the Note together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the County relating to the issuance of the Note and thereafter any remaining funds to be deposited in the Proceeds Fund shall be used for the purposes specified in Section 2 of this Resolution, and otherwise used in accordance with the provisions of this Resolution.

Section 15 - No Arbitrage, Bank Qualified and Small-Issuer Exception to Rebate Covenants as to the Code

The County hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Note, in a manner that would cause the Note to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder

as an “arbitrage bond,” and to that end the County shall comply with applicable regulations adopted under said Section 148 of the Code.

The County covenants to comply with the Code provisions requiring that any issuance of “governmental bonds,” as defined therein, be subject to certain requirements as to rebate and timing and type of payments to be paid for from the proceeds of such Note, as well as other additional requirements. In order to assure compliance with such Code provisions, the County has entered into a Compliance Certificate, to comply with such requirements and covenants therein that it will not breach the terms thereof. The Board intends for the Note to be treated as complying with the provisions of Section 148(f)(4)(D) of the Code and Section 1.148-8 of the U.S. Treasury Regulations thereunder, which provides an exception from the “rebate requirement,” since this Note issue (1) is issued by the County which is a governmental unit with general taxing powers, (2) no Note which is a part of this issue is a private activity bond, (3) 95% or more of the net proceeds of this issue are to be used for local governmental activities of the County, and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County during the calendar year 2017 (and bonds issued by any subordinate entity of the County) is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much as are attributable to the financing of the construction of public school facilities within the meaning of Section 148(f)(D)(vii) of the Code.

The Board of Supervisors, on behalf of the County, hereby designates the Note as a “qualified tax-exempt obligation” as defined in Section 265(b)(3)(B) of the Code and certifies by this Resolution that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10 million in “qualified tax-exempt obligations” during the calendar year 2017 and will not designate, or permit the designation by any of its subordinate entities of, any of its bonds (or those of its subordinate entities) during the calendar year 2017 which would cause the \$10 million limitation of Section 265(b)(3)(D) of the Code to be violated.

Section 16 - General Covenants

The County agrees to make all payments of principal and interest on the Note in a timely manner.

Section 17 - Further Actions Authorized The Chairman and Clerk of the Board and the County Treasurer and all other officers and employees of the County are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for, the Note, including, but not limited to modifications in the dates of payment of interest and maturity, the final interest rate, principal amount, redemption terms and related issues to conform to the response to the County’s request for proposals determined by the Chairman as most favorable and responsive to the County, based on the recommendation of the County Treasurer, County Administrator and County Financial Advisor, all in accordance with the Resolution and such determination shall be conclusively evidenced by his execution of the Note. The Chairman

is also hereby authorized and directed to determine the purchaser of the Note as the Holder, whose decision shall be deemed conclusive for all purposes hereunder.

Section 18 - Invalidity of Sections

If any section, paragraph, clause or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Resolution.

Section 19 - Headings of Sections, Table of Contents

The headings of the sections of this Resolution and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Resolution.

Section 20 - Effectiveness and Filing of Resolution This resolution shall become effective upon its passage. A certified copy of this Resolution shall be filed by the Clerk with the Clerk of the Circuit Court of the County of Lancaster, Virginia in accordance with Section 15.2-2607 of the Act.

The Members of the Board voted at its regular meeting on July 27, 2017 during an open meeting as follows:

Ayes

- William R. Lee
- F. W. Jenkins, Jr.
- B. Wally Beauchamp
- Jason D. Bellows

Nays

A Copy Teste:

Clerk, Board of Supervisors of the County of Lancaster, Virginia

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye

B. Wally Beauchamp Aye

4. Request for Abatement of Levies on Damaged or Destroyed Buildings – Lawrence D. and Susan D. Shubnell (Tax Map #15-35B)

Mr. Pleva stated that a few years ago the Board adopted a process that is allowed by statute where it can abate taxes on dwellings that have been severely damaged or destroyed and the building official deems it inhabitable. He stated that the request for abatement is from Lawrence and Susan Shubnell and the property address is 200 Landing View Drive. He stated that Marlon Savoy, Commissioner of Revenue, had signed the form and the amount to be abated was \$3,723.86. He stated that there was also a letter from Steve Daum, Building Official, which states that the building was severely damaged and unfit for human occupancy. He stated that he would recommend that the Board approve this request.

Mr. Lee made a motion to Approve the Request for Abatement of Levies on Damaged or Destroyed Buildings-Lawrence and Susan Shubnell-Tax Map #15-35B.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

BOARD REPORTS

None.

COUNTY ADMINISTRATOR

Mr. Pleva stated that he has not heard from Docks of the Bay on when the boat ramp repair at Windmill Point will begin, but hopefully will hear something soon.

Mr. Pleva stated that there is a section in the County Code of Ordinances that deals with the use of the public boat ramp on Greenvale Creek. He stated that his recommendation would be for the Board to authorize a change to that section to include the public boat ramp at Windmill Point. He stated that a public hearing could be held at the August meeting.

Mr. Jenkins made a motion to set a public hearing to amend Section 70-51 in the Lancaster County Code of Ordinances to include the public boat ramp at Windmill Point.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

ADJOURNMENT

Motion was made by Mr. Jenkins to adjourn.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye