

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF FLUVANNA, VIRGINIA APPROVING THE EXECUTION
AND DELIVERY OF A SUPPORT AGREEMENT**

WHEREAS, the James River Water Authority (the “Water Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Fluvanna, Virginia (the “Board of Supervisors”) and the Board of Supervisors of the County of Louisa, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County of Fluvanna, Virginia (the “County”) and the County of Louisa, Virginia (collectively, the “Member Jurisdictions”);

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the “Local Bond”);

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the “Service Agreement”), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has been advised that the Virginia Resources Authority (“VRA”), a public body corporate and political subdivision of the Commonwealth, is willing to purchase the Local Bond on terms favorable to the Water Authority;

WHEREAS, VRA has indicated its willingness to purchase such Local Bond in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016, between VRA and the Water Authority (the “Financing Agreement”); and

WHEREAS, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Water Authority in connection with payments due under the Service Agreement, which constitute the principal source of and security for the payment of the debt service on the Local Bond, as set forth in the Support Agreement to be dated as of May 1, 2016 (the “Support Agreement”), among the Water Authority, the County and VRA, the most recent draft of which has been presented to this meeting;

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

1. It is found and determined that the best interests of the County and its citizens will be served by the agreement by the Board of Supervisors to enter into the Support Agreement to satisfy one of VRA’s conditions to the purchase of the Local Bond.
2. The Board of Supervisors acknowledges that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding, and (iv) VRA is treating the Support Agreement as a

“local obligation” within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA’s bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

3. In consideration of the Water Authority’s issuance of the Local Bond and VRA’s agreement to purchase the Local Bond pursuant to the terms of the Financing Agreement, the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, any of whom may act, is hereby authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, in their sole discretion, the execution thereof by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.
4. The County Administrator is hereby authorized and directed to carry out the obligations imposed on him by the Support Agreement, and to take all proper steps on behalf of the County as may be required in connection with the Water Authority’s financing of the Project or with the carrying out of any matter authorized by this Resolution or the Support Agreement.
5. Nothing contained herein or in the Support Agreement is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Support Agreement legally bind or obligate the Board of Supervisors to appropriate funds for purposes described in the Support Agreement.
6. All actions previously taken by representatives or agents of the County in furtherance of the financing of the Project, the issuance of the Local Bond and/or the execution and delivery of the Support Agreement are hereby ratified, approved and confirmed.
7. No covenant, condition, agreement or obligation contained in the Support Agreement shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Support Agreement shall be liable personally on the Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.
8. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Fluvanna, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the Board of Supervisors of the County of Fluvanna, Virginia at a meeting duly called and held on March 16, 2016, during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
John M. Sheridan	Present	Yes
Mozell H. Booker	Present	Yes
Patricia B. Eager	Present	Yes
Anthony P. O'Brien	Present	Yes
Donald W. Weaver	Present	Yes

WITNESS my signature as Clerk of the Board of Supervisors of the County of Fluvanna, Virginia, this 16th day of March, 2016.


Kelly Belanger Harris

Clerk
Board of Supervisors of the County of Fluvanna,
Virginia

(SEAL)

**SUPPORT AGREEMENT
JAMES RIVER WATER AUTHORITY**

THIS SUPPORT AGREEMENT (this “Support Agreement”) is made as of May 1, 2016, among the **COUNTY OF FLUVANNA, VIRGINIA** (the “County”), the **JAMES RIVER WATER AUTHORITY** (the “Water Authority”), and the **VIRGINIA RESOURCES AUTHORITY** (“VRA”), as purchaser of the Local Bond, as hereinafter defined, pursuant to a Local Bond Sale and Financing Agreement dated as of April 1, 2016 (the “Financing Agreement”), between VRA and the Water Authority.

RECITALS:

WHEREAS, the Water Authority is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County (the “Board”) and the Board of Supervisors of the County of Louisa, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County and the County of Louisa, Virginia (collectively, the “Member Jurisdictions”);

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the “Local Bond”);

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the “Service Agreement”), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has determined that it is in its best interest to issue and sell its Revenue Bond, Series 2016 (the “Local Bond”), to VRA pursuant to the terms of the Financing Agreement to finance the Project; and

WHEREAS, as a condition to the purchase by VRA of the Local Bond, VRA is requiring each of the Member Jurisdictions to enter into a support agreement substantively identical to this Support Agreement;

AGREEMENT

NOW, THEREFORE, for and in consideration of the issuance of the Local Bond by the Water Authority, the purchase of the Local Bond by VRA and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Financing Agreement.

2. The Water Authority shall use its best efforts to issue the Local Bond for the purpose described in the Recitals above.

3. If at any time the revenues available to the Water Authority shall be insufficient to pay in a timely fashion any of the debt service payments due on the Local Bond (the "Debt Service"), either because (i) the Water Authority has failed to charge the County its allocable portion of the Debt Service (a "County Debt Service Payment") as required to make such Debt Service payment or (ii) the County has failed to make a County Debt Service Payment as provided under the Service Agreement, the Water Authority shall notify the County and VRA of the amount of such insufficiency and the County Administrator of the County shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

4. The County Administrator shall present each request for appropriation pursuant to paragraph 3 above to the Board, and the Board shall consider such request at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify VRA as to whether the County Debt Service Payment so requested was appropriated. If the Board shall fail to make any such appropriation, the Water Authority shall add the amount of such requested appropriation to the amounts to be otherwise charged to the County for the Water Authority's next fiscal year.

5. The Board hereby undertakes a non-binding obligation to appropriate such County Debt Service Payments as may be requested from time to time pursuant to paragraph 3 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards do likewise.

6. The County and the Water Authority acknowledge that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by this Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding and (iv) VRA is treating this Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such

nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

7. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

8. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to 132 Main Street, Palmyra, Virginia 22963, Attention: County Administrator, (ii) if to the Water Authority, to c/o Fluvanna County as fiscal agent, 132 Main Street, Palmyra, Virginia 22963, Attention: Fluvanna County Administrator, and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

9. It is the intent of the parties hereto that this Support Agreement shall be governed by the laws of the Commonwealth.

10. This Support Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by Water Authority under the Financing Agreement have been paid in full.

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

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have each caused this Support Agreement to be executed in their respective names as of the date first above written.

COUNTY OF FLUVANNA, VIRGINIA

By:  3/16/16
County Administrator

JAMES RIVER WATER AUTHORITY

By: _____
Chairman

VIRGINIA RESOURCES AUTHORITY

By: _____
Executive Director

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