IV.-B.

Agenda Item

County of Hanover

Board Meeting: February 11, 2015

Subject: Approval of Resolution to Refund County General Obligation Bonds (Series 2006, Series 2009 and Series 2011) not to exceed $30 million

Summary of Agenda Item: Based on current market interest rates, the County's financial advisor has identified a possible refunding opportunity for up to $30 million of the Series 2006, 2009 and 2011 bonds maturing between 2017 and 2031. The Board of Supervisors approved resolutions authorizing the original issuance of the applicable General Obligation Bonds in the principal amount of $57.8 million with interest rates of 4%-5%. A minimum 2% net present value savings is required in accordance with the County financial regulations. Current market conditions indicate the opportunity for total net present value savings of 4% - 8.5% and annual debt service savings of up to $100,000. This is an estimate until the final pricing. The tentative bond sale is March 4-5, 2015. The attached resolution outlines the parameters for issuance of the refunding bonds, including a maximum true interest cost of 4%.

County Administrator's Recommended Motion: Motion to approve the attached Resolution to refund County General Obligation Bonds (Series 2006, Series 2009 and Series 2011) not to exceed $30 million, and authorize the County Administrator to take all actions necessary to proceed with the issue of the refunding bonds and administration of all matters related to the bonds, including execution of all necessary documents.

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO $30,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015 OF THE COUNTY OF HANOVER, VIRGINIA, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

The County of Hanover, Virginia (the "County") has previously issued its $25,115,000 General Obligation Public Improvement and Refunding Bonds, Series 2006A (the "2006A Bonds"), $42,590,000 General Obligation Public Improvement and Refunding Bonds, Series 2009 (the "2009 Bonds") and $17,840,000 General Obligation Public Improvement and Refunding Bonds, Series 2011A (the "2011A Bonds" and, together with the 2006A Bonds and the 2009 Bonds, the "Prior Bonds"). The issuances of all of the Prior Bonds were approved by the qualified voters of the County.

The County's Board of Supervisors (the "Board") determines that it may now be in the best interests of the County to take advantage of lower interest rates now prevalent in the capital markets and to issue and sell general obligation refunding bonds to refund all or a portion of the outstanding (i) 2006A Bonds (the "2006A Refunded Bonds"), (ii) new money portion of the 2009 Bonds (the "2009 Refunded Bonds") and (iii) new money portion of the 2011A Bonds (the "2011A Refunded Bonds" and, together with the 2006A Refunded Bonds and the 2009 Refunded Bonds, the "Refunded Bonds").

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

Section 1. **Authorization, Issuance and Sale.** There is hereby authorized to be issued and sold, pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), general obligation refunding bonds of the County in the maximum principal amount not to exceed $30,000,000 to (i) refund the Refunded Bonds and (ii) pay the costs incurred in connection with issuing the bonds. The Board hereby elects to issue such bonds under the provisions of the Act.

Section 2. **Bond Details.** Such bonds to be issued to refund the Refunded Bonds shall be designated "General Obligation Refunding Bonds, Series 2015" (the "Bonds"), shall be dated the date of their issuance, shall be in registered form, in denominations of $5,000 and multiples thereof, and shall be numbered R-1 upward. Subject to Section 4, the Bonds shall mature in installments, or have mandatory sinking fund installments, on each July 15 beginning in 2015. Interest on the Bonds shall be payable on July 15, 2015, and semiannually thereafter on each January 15 and July 15. The Board authorizes the issuance and sale of the Bonds to Davenport & Company LLC, as Senior Manager, and Citigroup Global Markets, Inc., as Co-Manager (collectively, the "Underwriters") on terms as shall be satisfactory to the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services; ***provided***, that the Bonds (a) shall have a true or "Canadian" interest cost not to exceed 4.000% as calculated for the life of the Bonds by the Underwriters; (b) shall not have an original aggregate principal amount that exceeds $30,000,000; and (c) shall have a weighted average maturity of no more than fifteen (15) years.

Principal and premium, if any, shall be payable to the registered owners upon surrender of the Bonds as they become due at the designated corporate trust office of the Registrar, as defined below. Interest shall be payable by check or draft mailed to, or by wire to, the registered owners at their addresses as they appear on the registration books kept by the Registrar as of the close of business on the first day of the month of each interest payment date. In case the date of maturity or redemption of the principal of any Bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the designated corporate trust office of the Registrar is located, and if made on such next succeeding date, no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date. Principal, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

Interest on the Bonds shall be calculated on the basis of a 360-day year with twelve 30-day months. Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless such Bond is (a) authenticated before July 15, 2015, in which case it will bear interest from its date of issuance, or (b) authenticated upon an interest payment date or after the record date with respect thereto, in which case it will bear interest from such interest payment date (unless payment of interest thereon is in default, in which case interest on such Bond shall be payable from the date to which interest has been paid).

Section 3. Book-Entry System. Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The County has entered into a Blanket Issuer Letter of Representations relating to a book-entry system to be maintained by DTC with respect to certain securities issued by the County, including the Bonds. As used herein, the term "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section 3.

In the event that (a) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar or the County, or (b) the County in its sole discretion determines (i) to select a new Securities Depository or (ii) that beneficial owners of Bonds shall be able to obtain certificated Bonds, then the County shall attempt to locate another qualified securities depository to serve as Securities Depository or arrange for the authentication and delivery of certificated Bonds to the beneficial owners or to the Securities Depository's participants on behalf of beneficial owners, substantially in the form provided for in Exhibit A. In delivering certificated Bonds, the County shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository's participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 8.

So long as there is a Securities Depository for the Bonds (1) it or its nominee shall be the registered owner of the Bonds, (2) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges, and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (3) the Registrar and the County shall not be responsible or liable for maintaining, supervising, or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (4) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds and (5) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Letter of Representations, such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

Section 4. Redemption Provisions.

(a) Optional Redemption. At the time of pricing, the County will determine whether the Bonds shall be subject to optional redemption and, if the determination is that they shall be, the period during which such optional redemption shall be permitted, any such optional redemption occurring upon payment of 100% of the principal amount of the Bonds to be redeemed plus interest accrued and unpaid to the redemption date and at a redemption premium (if any) not in excess of two percent (2%) per annum.

(b) Mandatory Sinking Fund Redemption. Any term bonds may be subject to mandatory sinking fund redemption as determined by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services. If there are any term bonds, on or before the 70th day next preceding any mandatory sinking fund redemption date, the County may apply as a credit against the County's mandatory sinking fund redemption obligation for any Bonds maturing on such date, Bonds that previously have been optionally redeemed or purchased and canceled or surrendered for cancellation by the County and not previously applied as a credit against any mandatory sinking fund redemption obligation for such Bonds. Each such Bond so purchased, delivered or previously redeemed shall be credited at 100% of the principal amount thereof against the principal amount of the Bonds required to be redeemed on such mandatory sinking fund redemption date. Any principal amount of Bonds so purchased, delivered or previously redeemed in excess of the principal amount required to be redeemed on such mandatory sinking fund redemption date shall similarly reduce the principal amount of the Bonds to be redeemed on future mandatory sinking fund redemption dates, as selected by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services.

(c) Bonds Selected for Redemption. If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed shall be selected by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services in such manner as he or she may determine to be in the best interest of the

County. If less than all the Bonds of any maturity are called for redemption, the Bonds to be redeemed shall be selected by DTC or any successor Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000. If a portion of a Bond is called for redemption, a new Bond in a principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

(d) Notice of Redemption. The County shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail, or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to DTC or its nominee as the registered owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the registered owners of the Bonds to be redeemed.

Section 5. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services, and the Board's seal shall be affixed thereto or a facsimile thereof printed thereon and attested to by the manual or facsimile signature of the Clerk or Deputy Clerk of the Board; ***provided***, that no Bond shall be valid until it has been authenticated by the manual signature of an authorized representative of the Registrar and the date of authentication noted thereon.

Section 6. Bond Form. The Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such changes thereto as may be approved by the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, which approval shall be evidenced conclusively by the execution and delivery of the Bonds by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services.

Section 7. Pledge of Full Faith and Credit. The full faith and credit of the County are irrevocably pledged for the payment of principal of, premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the County shall levy and collect an annual *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay the principal of, premium, if any, and interest on the Bonds, as the same become due.

Section 8. Registration, Transfer and Owners of Bonds. The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, are each authorized to select a paying agent and registrar for the Bonds (the "Registrar"). The Registrar shall maintain registration books for the registration of the Bonds. Upon surrender of any Bonds at the designated corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto. New Bonds delivered upon any transfer or exchange shall be valid obligations of the County, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the first day of the month of each interest payment date.

Section 9. **Refunding; Escrow Agreement.** The Board hereby authorizes the optional redemption of some or all of the outstanding 2006A Refunded Bonds on July 15, 2016 (the "2006A Redemption Date") at a redemption price equal to 100% of the principal amount of the 2006A Refunded Bonds to be refunded plus accrued interest to the 2006A Redemption Date.

The Board hereby authorizes the optional redemption of some or all of the outstanding 2009 Refunded Bonds on July 15, 2019 (the "2009 Redemption Date") at a redemption price equal to 100% of the principal amount of the 2009 Refunded Bonds to be refunded plus accrued interest to the 2009 Redemption Date.

The Board hereby authorizes the optional redemption of some or all of the outstanding 2011A Refunded Bonds on January 15, 2021 (the "2011A Redemption Date") at a redemption price equal to 100% of the principal amount of the 2011A Refunded Bonds to be refunded plus accrued interest to the 2011A Redemption Date.

The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services are each authorized to work with the County's financial advisor, Raymond James & Associates, Inc. (the "Financial Advisor"), to determine which 2006A Refunded Bonds, 2009 Refunded Bonds and 2011A Refunded Bonds will be redeemed. They may base such decisions on such factors as they shall determine to be in the best interest of the County, but Bonds shall not be issued unless the combined net present value savings to the County will be at least 2.00%.

To facilitate the defeasance of the 2006A Refunded Bonds, the 2009 Refunded Bonds and the 2011A Refunded Bonds and the payment of the principal of and interest on the 2006A Refunded Bonds, the 2009 Refunded Bonds and the 2011A Refunded Bonds from the date of issuance of the Bonds through the 2006A Redemption Date, the 2009 Redemption Date and 2011A Redemption Date, respectively, the Board hereby authorizes the use of an Escrow Agreement to be dated the date of the issuance of the Bonds (the "Escrow Agreement") between the County and an escrow agent to be selected by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services (the "Escrow Agent"). The County is authorized to enter into the Escrow Agreement in such form as shall be approved by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services, whose approval shall be evidenced conclusively by the execution and delivery of the Escrow Agreement. The Board hereby authorizes the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, to execute and deliver the Escrow Agreement on behalf of the County and to take whatever actions may be necessary in connection therewith including without limitation the selection of the types of securities to be included in the escrow fund. The Board also hereby authorizes the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, to select a verification agent for any mathematical computations that may be required in connection with the issuance of the Bonds or the refunding of the Refunded Bonds.

Section 10. Sale of Bonds; Bond Purchase Agreement. The Board approves the following terms of the sale of the Bonds. The Board hereby determines that it will be in the best interests of the County to sell the Bonds to the Underwriters through a negotiated underwriting. The Board authorizes the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, in collaboration with the Financial Advisor and the Underwriters, to (a) determine the principal amount of the Bonds, subject to the limitations set forth in Section 2, (b) determine the maturity schedule of the Bonds, subject to the limitations set forth in Section 2, (c) determine the interest rates on the Bonds, subject to the limitations set forth in Section 2, (d) establish the redemption provisions, if any, for the Bonds, subject to the limitations set forth in Section 4 and (e) in accordance with Section 9, determine whether and to what extent to refund the 2006A Refunded Bonds, the 2009 Refunded Bonds and the 2011A Refunded Bonds. Prior to the sale of the Bonds, the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, in collaboration with the Financial Advisor and the Underwriters, may change the dated date of the Bonds to facilitate the sale and delivery of the Bonds and may provide for the issuance of the Bonds in such series as they deem appropriate. The terms of the negotiated sale shall be set forth in a Bond Purchase Agreement between the County and the Underwriters to be dated on or about the date of the sale of the Bonds (the "Bond Purchase Agreement"). The Bonds will be sold to the Underwriters in accordance with the terms of the Bond Purchase Agreement, subject to the parameters set forth in this Resolution. The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, are each authorized to execute and deliver the Bond Purchase Agreement on behalf of the County.

The actions of the County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services under this Section shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board. The Board hereby ratifies and approves all actions taken by the County Administrator, the Deputy County Administrator, the County's Director of Finance and Management Services and County staff prior to the date of the adoption of this Resolution in connection with soliciting and evaluating alternatives for the sale of the Bonds.

Section 11. Official Statement. The form of the Preliminary Official Statement of the County, tentatively to be dated the date of its distribution (the "Preliminary Official Statement"), has been made available to the Board prior to the adoption of this Resolution. The use and distribution of the Preliminary Official Statement and the use and distribution of an Appendix to the Preliminary Official Statement describing the County, are hereby authorized and approved. The appropriate officers and agents of the County are hereby authorized and directed to prepare the final version of the Preliminary Official Statement, with such changes, insertions and omissions as such officers and agents may consider necessary or desirable in connection with the sale of the Bonds. The Preliminary Official Statement, including such Appendix, shall be completed and "deemed final" by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), except for the omission from the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule. The delivery of the Preliminary Official Statement to the Underwriters shall be conclusive evidence that it has been deemed final as of its date by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services, except for the omission of such pricing and other information.

The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement (the "Official Statement"). The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, shall arrange for the delivery to the Underwriters of a reasonable number of copies of the Official Statement, within seven (7) business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriters initially sell Bonds.

The County Administrator, the Deputy County Administrator and the County's Director of Finance and Management Services, any of whom may act, are each authorized, on behalf of the County, to deem the Official Statement to be final as of its date within the meaning of the Rule and execute the Official Statement, which execution shall be conclusive evidence that the Official Statement has been deemed final.

Section 12. Continuing Disclosure. A proposed form of the Continuing Disclosure Certificate to be given by the County (the "Continuing Disclosure Certificate"), evidencing conformity with certain provisions of the Rule, has been made available to the Board prior to the adoption of this Resolution. The execution, delivery, use and distribution of the Continuing Disclosure Certificate, in the form approved by the County Administrator, the Deputy

County Administrator or the County's Director of Finance and Management Services, are hereby authorized and approved. The approval of the form of the Continuing Disclosure Certificate shall be evidenced conclusively by the execution and delivery of the Continuing Disclosure Certificate by the County Administrator, the Deputy County Administrator or the County's Director of Finance and Management Services.

The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the County to comply with the Continuing Disclosure Certificate shall not be considered a default under this Resolution or the Bonds; ***provided***, that any Holder of the Bonds (as defined in the Continuing Disclosure Certificate, to include owners of beneficial interests in the Bonds) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section 12 and the Continuing Disclosure Certificate.

Section 13. Preparation and Delivery of Bonds. After the Bonds have been sold, the County Administrator, Deputy County Administrator or the County's Director of Finance and Management Services and the Clerk or Deputy Clerk of the Board are authorized and directed to take all proper steps to have the Bonds prepared, executed and authenticated in accordance with their terms and to deliver the Bonds to the Underwriters upon payment therefor.

Section 14. Arbitrage Covenants.

(a) No Composite Issue. The County represents that there have not been issued, and covenants that there will not be issued, any obligations that will be treated as part of the same issue of obligations as the Bonds within the meaning of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the "Code").

(b) No Arbitrage Bonds. The County 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 Code, or otherwise cause interest on the Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law which may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required under existing law. The County shall pay any such required rebate from its legally available funds.

Section 15. Non-Arbitrage Certificate and Elections. Such officers of the County as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bonds in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code and setting forth any elections such officers deem desirable regarding rebate of earnings to the United States, all for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County. The County shall comply with any covenants set forth in such certificate regarding the use and investment of the proceeds of the Bonds.

Section 16. **Limitation on Private Use; No Federal Guaranty.** The County covenants that it shall not permit the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being used in a trade or business carried on by any person other than a state or local governmental unit, as provided in Section 141(b) of the Code, (b) five percent (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) five percent (5%) or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a state or local governmental unit, as provided in Section 141(c) of the Code; ***provided***, 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 Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenants.

The County represents and agrees that the Bonds are not and will not be "federally guaranteed," as such term is used in Section 149(b) of the Code. No portion of the payment of principal of or interest on the Bonds is or will be guaranteed, directly or indirectly, in whole or in part by the United States or an agency or instrumentality thereof.

Section 17. **Discharge upon Payment of Bonds.** The Bonds may be defeased, as permitted by the Act. Any defeasance of the Bonds, as permitted by the Act, shall not release the County or the Registrar from its obligations hereunder to register and transfer Bonds or release the Registrar from its obligations to pay the principal of and interest on the Bonds as contemplated herein until the date all of the Bonds are paid. In addition, such defeasance shall not terminate the obligations of the County under Sections 14 and 16 until the date all of the Bonds are paid.

Section 18. **Other Actions.** All other actions of the Supervisors, officers, staff and agents of the County in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are approved and confirmed. The officers and staff of the County are authorized and directed to execute and deliver all certificates and instruments, including Internal Revenue Service Form 8038-G and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

Section 19. Limitation of Liability of Officials of the County. No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of a Supervisor, officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No Supervisor, officer, employee, or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

Section 20. Contract with Bondholders. The provisions of this Resolution shall constitute a contract between the County and the Bondholders for so long as any of the Bonds are outstanding. Notwithstanding the foregoing, this Resolution may by amended by the County in any manner that does not, in the opinion of the County and the Registrar, materially adversely affect the Bondholders or the Registrar.

Section 21. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

Section 22. Effective Date. This Resolution shall take effect immediately upon its adoption. The Clerk and any Deputy Clerk of the Board are hereby authorized and directed to see to the immediate filing of a certified copy of this Resolution with the Clerk of the Circuit Court of the County of Hanover, Virginia.

Adopted: February 11, 2015

EXHIBIT A

REGISTERED	**REGISTERED**
No. R-_______	**$____________**

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COUNTY OF HANOVER

GENERAL OBLIGATION REFUNDING BOND, SERIES 2015

INTEREST RATE	**MATURITY DATE**	**DATED DATE**	**CUSIP**
________%	**July 15, ____**	**__________, 2015**	**410774 ___**

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The County of Hanover, Virginia (the "County"), for value received, promises to pay, upon surrender hereof, to the Registered Owner stated above, or registered assigns or legal representative, the Principal Amount stated above on the Maturity Date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon at the Interest Rate per year stated above from the Dated Date stated above on July 15, 2015, and semiannually thereafter on each January 15 and July 15. Principal, premium, if any, and interest are payable in lawful money of the United States of America through __________________, as registrar and paying agent (the "Registrar").

Interest shall be payable by check or draft mailed to, or by wire to, the Registered Owner, determined as of the close of business on the first day of the month of the interest payment date, at its address as it appears on the registration books kept for that purpose at the designated corporate trust office of the Registrar. Principal shall be payable upon presentation and surrender of this bond to the Registrar. If this bond is held by or for The Depository Trust Company or other entity acting as a securities depository (the "Securities Depository"), all payments of principal, redemption premium, if any, and interest shall be paid by wire transfer pursuant to the most recent wire instructions received by the Registrar from such Securities Depository and all redemptions or prepayments of principal may be made without presentation of this bond to the Registrar if such Securities Depository makes a notation on its records.

This bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless this bond is (a) authenticated before July 15, 2015, in which case it shall bear interest from the Dated Date stated above or (b) authenticated upon an interest payment date or after the record date with respect thereto, in which case it shall bear interest from such interest payment date; ***provided,*** that if at the time of authentication of this bond interest is in default, this bond shall bear interest from the date to which interest has been paid. Interest shall be calculated on the basis of a 360-day year with twelve 30-day months.

In case the date of maturity or redemption of the principal of this bond or an interest payment date shall be a date on which banking institutions are authorized or obligated by law to close at the place where the designated corporate trust office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the designated corporate trust office of the Registrar is located, and if made on such next succeeding date, no additional interest shall accrue for the period after such date of maturity or redemption or interest payment date.

This bond is one of an issue of $___________ General Obligation Refunding Bonds, Series 2015 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, as amended. The issuance of the Bonds was authorized by a resolution adopted by the Board of Supervisors of the County on February 11, 2015 (the "Resolution").

Bonds maturing on or before July 15, 20__, are not subject to optional redemption prior to maturity. Bonds maturing on or after July 15, 20__, are subject to redemption prior to maturity at the option of the County on or after July 15, 20__, in whole or in part (in integral multiples of $5,000) at any time upon payment of ___% of the principal amount of the Bonds to be redeemed plus interest accrued and unpaid to the redemption date.

[The Bonds maturing on July 15, 20__ are subject to mandatory sinking fund redemption by the County, upon payment of a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, on July 15 in the years and amounts set forth below:

Year	Amount
-- final maturity	

The Resolution provides for a credit against the mandatory sinking fund redemption of such Bonds in the amount of Bonds of the same maturity that have been previously redeemed or purchased and canceled or surrendered for cancellation and have not been applied previously as such a credit.]

If less than all of the Bonds are called for optional redemption, the maturities of the Bonds to be redeemed shall be selected by the County Administrator, the Deputy County

Administrator or the County's Director of Finance and Management Services in such manner as he or she may determine to be in the best interest of the County. If less than all the Bonds of a particular maturity are called for redemption, the Bonds to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000. The County shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail, or overnight express delivery, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to the Securities Depository or its nominee as the Registered Owner of the Bonds or, if the book-entry system is discontinued, by registered or certified mail to the Registered Owners of the Bonds to be redeemed.

The full faith and credit of the County are irrevocably pledged for the payment of principal of, premium, if any, and interest on this bond.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist, or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and the issue of the Bonds of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Hanover, Virginia, has caused this bond to be issued in the name of the County of Hanover, Virginia, to be signed by its County Administrator, Deputy County Administrator or Director of Finance and Management Services, its seal to be affixed hereto and attested by the signature of its Clerk or Deputy Clerk and this bond to be dated the Dated Date stated above.

(SEAL)

ATTEST:

________________________________	________________________________
Clerk, Board of Supervisors of the County of Hanover, Virginia	County Administrator, Board of Supervisors of the County of Hanover, Virginia

AUTHENTICATION DATE: ____________________

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Resolution.

_____________________________, as Registrar

By ______________________________________
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned 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 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 institution which is a participant in the Securities Transfer Agent's Medallion Program ("STAMP") or similar program.

____

(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.

CERTIFICATE OF THE CLERK OF THE
BOARD OF SUPERVISORS OF THE COUNTY OF HANOVER, VIRGINIA

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

1. A regular meeting of the Board of Supervisors of the County of Hanover, Virginia, was held on February 11, 2015, at the time and place established by the Board for such meetings, at which the following members were present and absent:

MEMBER	PRESENT/ABSENT
Wayne T. Hazzard	
Aubrey M. Stanley	
Sean M. Davis	
Angela Kelly-Wiecek	
G. Ed Via, III	
W. Canova Peterson IV	
Elton J. Wade, Sr.	

2. A resolution entitled "Resolution Authorizing the Issuance and Sale of Up to $30,000,000 General Obligation Refunding Bonds, Series 2015 of the County of Hanover, Virginia, and Providing for the Form, Details and Payment Thereof" was adopted by a majority of all members of the Board present by a roll call vote, the ayes and nays being recorded in the minutes of the meeting as shown below:

MEMBER	VOTE
Wayne T. Hazzard	
Aubrey M. Stanley	
Sean M. Davis	
Angela Kelly-Wiecek	
G. Ed Via, III	
W. Canova Peterson IV	
Elton J. Wade, Sr.	

3. Attached hereto is a true and correct copy of the foregoing resolution as adopted on February 11, 2015. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Board of Supervisors of the County of Hanover, Virginia, this ___ day of February, 2015.

____
Clerk, Board of Supervisors
of the County of Hanover, Virginia

(SEAL)