

**APPENDIX A
to the Bond Sale Agreement**

STANDARD TERMS AND CONDITIONS

Described below are certain terms of the local school bond which must be embodied in your local resolution and local school bond form and other conditions which must be met in order for VPSA to purchase your local school bond on the Closing Date. VPSA will not purchase a local school bond unless and until such terms are present in the related local resolution and local school bond form adopted by your governing body and such conditions are met.

Interest and Principal Payments

Your local school bond will bear interest from the dated date, which date will be [16] days prior to the Closing Date¹ set forth in the Bond Sale Agreement (or such other date set by VPSA) and will mature on July 15 of the years and in the amounts as established by VPSA. Your local school bond will bear interest payable in installments due semiannually on January 15 and July 15. The first interest installment will be payable on January 15, 2025. The first principal installment will be payable on July 15 of the year selected in the Bond Sale Agreement. The principal installments of your local school bond will bear interest at rates 5 basis points (0.05%) above the actual rates on the VPSA Bonds with corresponding principal payment dates.

Payment

For so long as VPSA is the registered owner of your local school bond,

- (i) the paying agent and bond registrar therefor shall be a bank or trust company qualified to serve as such, and
- (ii) all payments of principal, premium, if any, and interest shall be made in funds that shall be immediately available to VPSA on or before 11:00 A.M. on the applicable interest or principal payment date, or date fixed for prepayment or redemption, or if such date is not a business day for banks in Virginia or for the Commonwealth, then on or before 11:00 A.M. on the business day next succeeding such scheduled due date. Overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rates on your local school bond.

Prepayment or Redemption

The local school bond will be subject to redemption at the option of your governing body, subject to the consent of VPSA or other registered owner. Your local resolution shall provide for prepayment or redemption as follows:

¹ See the Endnotes on page A-4.

The principal installments of the local school bond coming due on or after July 15, 2035 are subject to optional prepayment or redemption prior to their stated maturities by the issuer, from any available moneys, in whole or in part, on any date on or after July 15, 2034, at the following prepayment or redemption prices, plus accrued interest to the date fixed for prepayment or redemption:

<u>Dates</u>	<u>Price</u>
July 15, 2034 through July 14, 2035	101%
July 15, 2035 through July 14, 2036	100½
July 15, 2036 and thereafter	100

Provided, however, that the local school bond shall not be subject to prepayment or redemption prior to the respective principal payment dates except with the prior written consent of VPSA or other registered owner.

Notice of any such prepayment or redemption shall be given to VPSA or other registered owner, by registered mail at least 60, but not more than 90, days prior to the date fixed for prepayment or redemption.

If VPSA refunds the VPSA Bonds in the future and such refunding causes the local school bond to be deemed refunded, the prepayment or redemption of the local school bond will be subject to VPSA approval and subject to similar prepayment or redemption provisions as set forth above that correspond to the call period of the VPSA bonds issued in part to refund the local school bond.

Security

Your local school bond must constitute a valid and binding general obligation for the payment of which the full faith and credit of the local unit are irrevocably pledged, and all taxable property within the boundaries of the locality must be subject to the levy of an ad valorem tax, over and above all other taxes and without limitation as to rate or amount, for the payment of the principal of, and premium, if any, and interest on the bonds to the extent other funds of the locality are not lawfully available and appropriated for such purpose.

Tax Matters

You shall execute the Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") in the form provided by VPSA's bond counsel for receipt by VPSA at least two business days prior to the Closing Date.²

² *VPSA requires that the Tax Compliance Agreement be executed separately from any tax certificates prepared by your bond counsel. Your bond counsel may also prepare one or more tax certificates that contain some information found in the Tax Compliance Agreement in addition to information such as your reasonable expectations as to meeting the requirements to any of the rebate exceptions.*

No Composite Issue

You will covenant not to sell, without VPSA's consent, any general obligation bonds which are part of the same common plan of financing (and payable from the same source of funds) as your local school bond, during the period beginning 15 days in advance of and ending 15 days after the VPSA Sale Date. As noted in the Bond Sale Agreement, the VPSA Sale Date is expected to be on or about April 23, 2024 but, subject to market conditions, may occur any time between April 4, 2024 and June 30, 2024.

Binding Commitment

Subject to the satisfaction of the conditions in Section 5 of the Bond Sale Agreement, the Bond Sale Agreement shall constitute a binding commitment of the Locality to sell its local school bond to VPSA as of the later of the VPSA Sale Date and the date the Local Issuer executes the Bond Sale Agreement.

Request and Consent of County School Board³

Before the governing body of a County adopts the local resolution, the County School Board must **first** request, by resolution, the governing body to take such action. The County School Board must also consent to the issuance of local school bond by the County. (See form of resolution in Appendix C attached to the Bond Sale Agreement.)

Public Hearing and Notice

Before the final authorization of your issuance of the local school bond by the governing body, the governing body must hold a public hearing on the proposed issue unless the issuance of such local school bond has been approved at referendum or no public hearing is required under Section 15.2-2606(B), Code of Virginia 1950, as amended (the "Virginia Code"). The notice of the hearing, meeting the requirements of Section 15.2-2606 of the Virginia Code must be published once a week for 2 successive weeks (notices at least 7 days apart) in a newspaper published or having general circulation in your locality, with the first notice appearing no more than 14 days before the hearing. The public hearing may not be held less than 6 nor more than 21 days after the date the second notice appears in the newspaper. Pursuant to Chapter 590, 2011 Virginia Acts of Assembly, the public notice must state the proposed use of the proceeds of the bond issue and, if there are multiple proposed uses, must state the proposed uses for which more than 10 percent of the total bond proceeds are expected to be used.

Delivery

VPSA will accept delivery of your local school bond only in the form of a single, typewritten, temporary bond, in registered form, payable to VPSA. The form of the local school bond is included as Exhibit A to the resolution in Appendix B to the Bond Sale Agreement. On 20 days written notice from VPSA, you agree to deliver, at your expense, in exchange for the typewritten bond, on one or more occasions, one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in denominations of \$5,000 and whole multiples

³ *Not applicable to cities and towns. (Section 15.2-2640, Virginia Code)*

thereof, and having the same aggregate principal amount and accruing interest at the same rates as the local school bond surrendered in exchange, as requested by VPSA.

ENDNOTES

- ¹ If VPSA does not purchase your local school bond on the Closing Date due to your fault, VPSA will invest, in demand or overnight investments, the amount of its bond proceeds to be used to purchase your local school bond. If you cure your failure to deliver your local school bond within the sixty (60) day period following the Closing Date, VPSA will purchase your local school bond and your bond will bear interest from the date that is sixteen days prior to the date of delivery and payment or other date satisfactory to VPSA. You will, however, be required to pay to VPSA at your actual closing an amount equal to the positive difference, if any, between (A) the amount of interest that would have accrued on your local school bond had VPSA been able to purchase your local school bond on the Closing Date and (B) the lesser of (i) the amount of interest income VPSA was able to earn, during such period, from the investment of its bond proceeds pending their use to purchase your bond and (ii) the arbitrage yield on the VPSA Bonds.

APPENDIX B

BOND RESOLUTION

See Tab No. _____

APPENDIX C

SCHOOL BOARD RESOLUTION

See Tab No. _____

APPENDIX D
CONTINUING DISCLOSURE AGREEMENT

See Tab No. _____