RESOLUTION APPROVING A VEHICLE AND EQUIPMENT LEASE PURCHASE AGREEMENT BETWEEN LOUDOUN COUNTY SCHOOL BOARD, VIRGINIA, AND TD EQUIPMENT FINANCE, INC., PROVIDING FOR FINANCING OF THE ACQUISITION OF CERTAIN VEHICLES AND EQUIPMENT FOR LOUDOUN COUNTY PUBLIC SCHOOLS AND AUTHORIZING THE EXECUTION THEREOF

WHEREAS, the School Board of Loudoun County (the "School Board") has received from TD Equipment Finance, Inc. ("the Bank"), a proposal to finance the acquisition of certain vehicles and equipment for the School Board (the "Equipment"); and

WHEREAS, staff has advised the School Board that the proposal of the Bank, a copy of which is attached to this resolution (the "Proposal"), offers to provide a tax-exempt fixed rate of financing and has recommended its acceptance as in the best interest of the School Board; and

WHEREAS, there has been presented to this meeting a draft of an Equipment Lease Purchase Agreement (the "Lease Purchase Agreement") between the Bank, as Lessor, the School Board, as Lessee, TD Wealth Management, as escrow agent (the "Escrow Agent"), to implement such financing;

BE IT RESOLVED BY THE SCHOOL BOARD OF THE LOUDOUN COUNTY SCHOOL DIVISION:

1. That the School Board determines that it is in its best interest to accept the Proposal and enter into the Lease Purchase Agreement.

2. The Lease Purchase Agreement shall provide for the Bank to acquire the Equipment and lease the Equipment to the School Board and for the Escrow Agent to invest the funds provided by the Bank for the benefit of the School Board pending the expenditure of such proceeds on the acquisition of the Equipment, all upon terms as the Chairman of the School Board shall deem to be in the best interests of the School Board; provided, however, that (a) the cost of the Equipment shall not exceed $10,000,000 (b) the term of the Lease Purchase Agreement shall not extend beyond July 18, 2019, (c) the interest component of the Rental Payments (as defined in the Lease Purchase Agreement) shall be based on an annual rate not to exceed 1.320% (exclusive of any interest penalties), and (d) the annual Rental Payment (constituting both principal and interest components) shall not exceed $2,583,040.91.

3. The Chairman of the School Board is authorized and directed to execute the Lease Purchase Agreement, which shall be in substantially the form presented to this meeting, which is approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman, whose execution thereof shall constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes.

4. That the Chairman of the School Board or the Division Superintendent, or his designee, are authorized and directed to execute and deliver all certificates and instruments and to take all actions necessary or desirable in connection with the execution and delivery of the Lease Purchase Agreement and the completion of the financing.

5. That the obligations of the School Board under the Lease Purchase Agreement shall be limited obligations payable solely from funds to be appropriated by the Board of Supervisors of Loudoun County, Virginia (the "County"), to the School Board and shall not constitute a debt of the School Board within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the School Board beyond any fiscal year for which the School Board receives moneys lawfully appropriated from time to time by the County Board of Supervisors. Nothing herein or in the Lease Purchase Agreement shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

6. That the School Board believes that funds sufficient to make payment of all amounts payable under the Lease Purchase Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the School Board hereby states its intent to request annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Lease Purchase Agreement. The School Board directs the officer who may be charged with the responsibility for preparing the annual budget of the School Board, to include in the budget request for each fiscal year during the term of the Lease Purchase Agreement an amount sufficient to make the payment of all amounts due in such fiscal year under the Lease Purchase Agreement.

7. (a) That the School Board covenants that it will not take or omit to take any action the taking or omission of which will cause the Lease Purchase Agreement to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest due under the Lease Purchase Agreement to be includable in the gross income of the holder thereof under existing statutes. Without limiting the generality of the foregoing, the School Board shall comply with any provision of law that may require the School Board at any time to rebate the United States any part of the earnings derived from the investment of the funds received under the Lease Purchase Agreement, unless the School Board receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest due under the Lease Purchase Agreement from being includable in the gross income for federal income tax purposes of the holder thereof under existing law.

(b) That the School Board covenants that during the term of the Lease Purchase Agreement it will not use or permit the use of the Equipment other than for the purpose of performing one or more governmental or proprietary functions of the School Board consistent with the scope of the School Board's authority and will not use or permit the use of the Equipment in a trade or business of any person or entity other than the School Board.

8. That the Chairman of the School Board or the Division Superintendent, or his designee, is authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the funds received under the Lease Purchase Agreement, and any elections

deemed desirable regarding rebate of earnings to the United States, 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 School Board. Division Counsel shall review and approve as to form any such Certificates.

9. That the School Board designates its obligations under the Lease Purchase Agreement as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code. The School Board represents and covenants as follows:

(a) The School Board will in no event designate more than $10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2015, including the obligations under the Lease Purchase Agreement, for the purpose of such section 265(b)(3);

(b) The School Board, all its "subordinate entities," within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the School Board and its subordinate entities have not issued, in the aggregate, more than $10,000,000 of tax-exempt obligations in calendar year 2015 (not including "private activity bonds," within the meaning of Code Section 141, other than "qualified 501(c)(3) bonds," within the meaning of Section 145 of the Code), including its obligations under the Lease Purchase Agreement;

(c) Barring circumstances unforeseen as of the date of delivery of the Lease Purchase Agreement, the School Board will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the School Board and such other entities in calendar year 2015, result in the School Board and such other entities having issued a total of more than $10,000,000 of tax-exempt obligations in 2015 (not including private activity bonds other than qualified 501(c)(3) bonds), including its obligations under the Lease Purchase Agreement; and

(d) The School Board has no reason to believe that the School Board and such other entities will issue tax-exempt obligations in calendar year 2015 in an aggregate amount that will exceed such $10,000,000 limit; provided, however, that if the School Board receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the obligations under the Lease Purchase Agreement to be qualified tax-exempt obligations, the School Board need not comply with such covenant.

10. That all other actions of the School Board and its employees in conformity with the purposes and intent of this Resolution and in furtherance of the financing are hereby ratified, approved and confirmed.

11. That all resolutions or parts of resolution in conflict herewith are repealed.

12. That this Resolution shall take effect immediately.