

11. BOND REFUNDING PROPOSALS

As directed last month, Davenport & Company, LLC issued the attached RFP on our behalf for the purpose of obtaining a commercial loan to potentially refinance the County's outstanding Public Facilities Lease Revenue Bonds, Series 2006A and pay for the associated costs of issuance.

The RFP was distributed to local, regional and national banks on January 26th and four (4) competitive proposals were received on February 16th. A summary of the results is attached. At this writing, Davenport is continuing to analyze the results, but it appears that Regions Bank has submitted the best proposal with terms of 2.19% for 12 years.

I'm pleased to report that the proposed rate exceeded Davenport's expectations and they will be at Monday's meeting to recommend that you proceed with acceptance of Regions Bank's proposal to provide a direct bank loan to refinance the 2006A bonds and abstain from entry into the public credit markets for a stand-alone bond issue. Their presentation will include an analysis of the total savings generated by the refinancing over the life of the loan.

In anticipation of Davenport's recommendation, McGuire Woods has prepared the attached resolution (blue sheets) requesting the Industrial Development Authority to issue its Bond for the purposes of refunding the outstanding principal amount of the 2006A Bonds and financing the associated costs of issuance. The resolution further authorizes the Chairman or the County Administrator to consent to changes and amendments to certain documents associated with the financing, including the Lease (pink sheets), Financing Lease (tan sheets) and Deed of Trust (green sheets), copies of which are also attached.

MOTION REQUIRED: A motion is required to adopt the attached resolution requesting the Industrial Development Authority to issue its Revenue Refunding Bond.

Mike Johnson

From: Gebhardt, Doug <dgebhardt@investdavenport.com>
Sent: Tuesday, February 16, 2016 8:00 PM
To: Mike Johnson; Lynette Lowe
Cc: Rogers, Courtney; Rose, David; LeClair, Gary; Anderson, Arthur E. II; Valentine, Ellen L.
Subject: Summary of Proposals Received
Attachments: Southampton Summary of Bids Received.pdf

Good Evening Mike and Lynette,

I hope you are well. As promised, attached please find the Summary of Proposals Received outlining the interest rates, prepayment options and other terms and conditions for the County's Series 2016 Lease Revenue Bonds. The rates received were much stronger than anticipated and are a testament to the County's financial strength. As you will see in the attached, we have highlighted Regions Bank's proposal in light blue because it provides the County with the lowest rate and favorable terms and conditions. We have asked Bond Counsel to review the proposal to ensure they do not see anything abnormal or cause for concern in Region's proposal. We are working on a more detailed presentation for Monday night and will have a draft to you later this week.

Please feel free to let me know if you have any questions or if I can be of further assistance.

Have a great evening.

Thank you,

Doug

Doug Gebhardt
Associate Vice President
Davenport & Company LLC
Public Finance
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Lease Revenue Refunding Bond, Series 2016 Summary of Bids Received

	KeyBank		Regions	Raymond James		SunTrust	
							
	Option 1	Option 2	Option 1	Option 1	Option 2	Option 1	Option 2
Amount	\$15,250,000		\$15,250,000	\$15,250,000		\$15,250,000	
Term	12 Years	15 Years	12 Years	12 Years	15 Years	12 Years	15 Years
Interest Rate	2.427%	2.686%	2.190%	2.350%	2.590%	2.990%	3.070%
Rate Fixed	12 Years	15 Years	12 Years	12 Years	15 Years	12 Years	15 Years
Rate Reset/Put	None	None	None	None		10 Years	
Reset Calculation	None	None	None	None		None	
Call Date	Anytime		Anytime	4/1/2024	4/1/2026	Anytime	
Prepayment Penalty	.75% for year 1, .50% for year 2, 0% thereafter		1%	None		Make Whole	
Bank / Legal Fees	Up to 2% of Par Amount		Lenders Counsel	\$8,500 plus .25% Commitment Fee		\$7,500 plus \$5,000 Origination Fee	
Accept By	2/19/2016		2/23/2016	Not Specified		Not Specified	
Close By	3/19/2016		3/17/2016	3/18/2016		3/17/2016	
Subject to Credit Approval?	Yes		Yes	Yes		Yes	

January 26, 2016

Southampton County, Virginia – Lease Revenue Refunding Bond, Series 2016

Davenport & Company LLC (“Davenport”), in our capacity as the Financial Advisor to Southampton County, Virginia (the “County”) is distributing this Request for Proposals (the “RFP”) on behalf of the County for the purpose of obtaining a commercial loan evidenced by the Industrial Development Authority of Southampton County, Virginia’s (the “Authority”) Lease Revenue Refunding Bond, Series 2016 (the “2016 Bond”).

The proceeds of the 2016 Bond will be used to (i) potentially refinance the County’s outstanding Public Facilities Lease Revenue Bonds, Series 2006A; and (ii) pay for the costs of issuance associated with the 2016 Bond. **The 2016 Bond will be tax-exempt and Non-Bank Qualified.**

The security for this borrowing will be a Lease Agreement between the Authority and the County to pay debt service, subject to and contingent upon the appropriation of funds therefor, by the Southampton County Board of Supervisors. Additionally, the payment of the 2016 Bond will be collateralized by a Ground Lease on Riverdale Elementary School.

The County is interested in receiving quotes for the 2016 Bond, which will be held through the estimated closing date as detailed in this RFP. The County prefers a fixed interest rate bid for the 2016 Bond until final maturity but will explore potential rate reset options as detailed in this request for proposal. The

Each proposal is subject to review and approval by the County Board of Supervisors and County Staff. The County reserves the right to reject any or all proposals, to waive irregularities in any proposal and to negotiate with any banking institution.

The County’s fiscal year 2013, 2014 and 2015 audited financial statements will be included as an attachment to this request for proposal.

Information related to the County’s fiscal year 2016 budget is available at:

http://www.southamptoncounty.org/MediaArchive/PDF/FY%202015-16%20Budget_Final%20Copy_Complete%20Book.pdf

Your response to this RFP would be appreciated. Outlined below are the Proposed Terms to be utilized in preparing your proposal.

The 2016 Bond Proposed Terms:

<i>Issuer:</i>	Industrial Development Authority of Southampton County, Virginia
<i>Purpose:</i>	See descriptions provided above.
<i>Tax Treatment:</i>	Fully Tax-Exempt.
<i>Bank Qualification:</i>	<u>Non-Bank Qualified</u>

Not-to-Exceed Par Amount: \$15,250,000*

***Note:** *To the extent you are not able to provide funds in this amount, please provide the maximum amount you are able/willing to lend under the proposed terms.*

Security: The 2016 Bond will be secured by a Lease Agreement between the Authority and the County and a Ground Lease on Riverdale Elementary School.

Rating: None applied for. County has A+ rating from S&P.

Final Maturity Date: **Option 1:** April 1, 2028

Option 2: April 1, 2031

Principal Payment Dates: Principal due annually, beginning April 1, 2017 until the Final Maturity Date.

Interest Payment Dates: Semi-annual interest payments due on April 1 and October 1, commencing on October 1, 2016, calculated on a 30/360 day basis.

Interest Rate: To the extent possible, a fixed rate quote for the entire amortization period is preferred. If you are unable to commit to a fixed rate over the entire amortization period, please provide a fixed rate quote for the longest time period possible and specify all pertinent details relating to the rate reset, including the applicable index on which your quote will be based. For example, to the extent that you are willing to commit to a 12-year or 15-year amortization but cannot provide a fixed rate for the entire period, please specify the initial rate and its duration as well as the rate-reset information (e.g. 12-year amortization with an initial fixed rate for 5 years, with a rate reset for the remaining 7 years).

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Amortization Structure:

The County would like to receive bids on estimated principal structure as outlined below. The final principal amounts will be adjusted as mutually agreed upon once the final interest rate is known.

Estimated Amortization ⁽¹⁾

<u>Date</u>	<u>12 Year Rate</u>	<u>15 Year Rate</u>
4/1/2017	\$1,042,000	\$787,000
4/1/2018	1,099,000	839,000
4/1/2019	1,132,000	864,000
4/1/2020	1,168,000	890,000
4/1/2021	1,199,000	917,000
4/1/2022	1,238,000	944,000
4/1/2023	1,275,000	972,000
4/1/2024	1,310,000	1,002,000
4/1/2025	1,354,000	1,032,000
4/1/2026	1,390,000	1,063,000
4/1/2027	1,435,000	1,094,000
4/1/2028	1,479,000	1,127,000
4/1/2029	0	1,161,000
4/1/2030	0	1,196,000
4/1/2031	0	1,233,000
Total	\$15,121,000	\$15,121,000

(1) Preliminary, Subject to change.

<i>Optional Redemption:</i>	The County prefers maximum flexibility. Please specify the call structure that would provide the County with the most flexibility at the lowest cost of funds.
<i>Drawdown:</i>	All funds are anticipated to be drawn at closing.
<i>Bank Closing Costs:</i>	None anticipated to be paid by the County. Please specify any exceptions.
<i>Annual/Ongoing Fees:</i>	None anticipated to be paid by the County. Please specify any exceptions.
<i>Opinion of Bond Counsel:</i>	Bond Counsel to the County, McGuire Woods LLP, will provide the necessary bond counsel opinion and documentation.
<i>Ongoing Disclosure:</i>	The County will provide annual audited financial statements. Please specify any additional requirements.
<i>Direct Bank Loan:</i>	Proposals are requested for the issuance of a direct bank loan for the 2016 Bond, with a single financial institution or a syndicate of financial institutions represented by one lead institution with which the County and their consultants will deal with exclusively on all aspects of the financing. The successful bidder(s) will be expected to provide a letter in form satisfactory to the County and its Bond Counsel regarding the qualifications of the lender and stating that the loan evidenced by the 2016 Bond is being made with no intention of sale or distribution. No formal offering document will be prepared, although bidders should feel free to direct any questions about the County or its finances to the undersigned.
<i>Award:</i>	The County Staff and Board, in consultation with Davenport, will determine which proposed loan offers the lowest cost to the County, taking into account terms, conditions and/or fees/expenses to be paid by the County. The County Staff will make a recommendation to the County's Board, which will make the formal award. It is possible that the loan evidenced by the 2016 Bond may be awarded to more than one entity. The County reserves the right to reject any or all proposals and to waive any irregularity in any proposal or the process.
<i>Closing:</i>	Closing will take place during the week of March 14, 2016 and will be facilitated by McGuire Woods LLP, Bond Counsel to the County and Authority.

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Please specify any other terms or conditions that would impact the proposed structure of the financing agreement. The preliminary timetable for action is shown below.

Preliminary Timetable:

<u>Date</u>	<u>Action</u>
January 26, 2016	RFP is distributed to local, regional and national banking institutions.
February 8, 2016	School Board meeting to approve Authorizing Resolution and Financing Documents
February 16, 2016	RFP Responses due back to Davenport at 11 am Eastern Time
February 22, 2016	Davenport to present RFP results to County Board/ Board Adopts Financing Resolutions
Week of February 22, 2016	Bond Counsel Distributes 1 st Draft of Financing Documents
Week of February 22/29, 2016	IDA Meeting to adopt Authorizing Resolution and Financing Documents
Week of March 14, 2016	Close on the 2016 Bond

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Inquiries:

All inquiries concerning clarification of the RFP must be made to Davenport, in writing (e-mail is acceptable). As it is expected that each firm may have different needs for information, it is incumbent on each firm to make whatever inquiries it deems necessary in order to respond to the RFP. Any contact initiated by any banking institution with the County's elected officials, staff or Bond Counsel concerning this RFP is prohibited. Any such unauthorized contact may cause the disqualification of the respondent from consideration.

Submission of Proposals:

By submitting a bid for the 2016 Bond we are anticipating that the financing has received final or near final credit approval by your banking institution and that your banking institution is ready and able to provide the financing for the 2016 Bond should it be selected as the winning bidder. If this financing requires additional credit approvals after submission of your response please clearly indicate in your response the process by which these additional approvals will be obtained, the timing of receiving these approvals, and any additional information that will need to be provided by the County.

We look forward to your response by 11:00 a.m. EST on Tuesday, February 16, 2016. Please send responses to Gary LeClair and Doug Gebhardt at gleclair@investdavenport.com and dgebhardt@investdavenport.com.

In the meantime, should you have any further questions or concerns please feel free to call Doug Gebhardt at (804) 698-2651.

Sincerely,



David P. Rose
Senior Vice President
Davenport & Company LLC

cc: Michael W. Johnson – County Administrator, Southampton County, Virginia
Lynette C. Lowe – Deputy County Administrator/ Chief Financial Officer, Southampton County, Virginia
Courtney E. Rogers – Davenport & Company LLC
Arthur E. Anderson – McGuireWoods LLP

SOUTHAMPTON COUNTY, VIRGINIA
BOARD OF SUPERVISORS

Date: February 22, 2016

1. At a regular meeting of the Board of Supervisors of Southampton County, Virginia, held on the 22nd day of February, 2016, the following persons were present or absent as shown:

PRESENT:

ABSENT:

2. On motion of _____, seconded by _____, a Resolution entitled "A RESOLUTION OF THE BOARD OF SUPERVISORS OF SOUTHAMPTON COUNTY, VIRGINIA REQUESTING THE INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA TO ISSUE ITS REVENUE REFUNDING BOND" was adopted by a majority of the members of the Board of Supervisors present by a roll call vote, the votes being recorded as follows:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the Resolution as recorded in full in the minutes of the meeting.

4. The attached 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 County of Southampton, Virginia, this 22nd day of February, 2016.

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

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF SOUTHAMPTON COUNTY, VIRGINIA REQUESTING THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY,
VIRGINIA TO ISSUE ITS REVENUE REFUNDING BOND**

WHEREAS, Southampton County, Virginia (the "County") has determined that it is advisable to request the Industrial Development Authority of Southampton County, Virginia (the "Authority") to refund the outstanding principal amount of the Authority's \$21,300,000 Public Facility Lease Revenue Bond (Southampton County, Virginia Public Facilities Project), Series 2006A (the "2006A Bonds"); and

WHEREAS, the Authority issued the 2006A Bonds on November 15, 2006 to provide funds for financing the costs of the construction, improvement and equipping of the new Riverdale Elementary School (the "Elementary School Project"), which is owned by the School Board of Southampton County (the "School Board"), and the financing of certain public infrastructure improvements and road improvements at the Turner Tract Industrial Park; and

WHEREAS, the Authority proposes to undertake the refunding of the outstanding principal amount of the 2006A Bonds through the issuance by the Authority of its revenue refunding bond (the "Bond") and the sale of the Bond to evidence a loan from a third-party lender (the "Lender") to be selected by the Authority with the approval of the County; and

WHEREAS, the Bond will be payable from rental payments and other payments provided to the Authority pursuant to an amendment to the Financing Lease (the "First Amendment to the Financing Lease") among the Authority, as lessor, and the School Board and the County, collectively as co-lessees; and

WHEREAS, the payment obligations under the First Amendment to the Financing Lease are subject to appropriation by the Board of Supervisors of the County (the "Board") from time to time of sufficient moneys for such purposes; and

WHEREAS, the School Board will lease the Elementary School Project to the Authority pursuant to an amendment to the Lease (the "First Amendment to the Lease") and the Authority will secure the Bond with a leasehold mortgage and lease the Elementary School Project back to the School Board pursuant to the First Amendment to the Financing Lease; and

WHEREAS, the amendments to the documents associated with the 2006A Bonds includes the following: (i) First Amendment to the Financing Lease; (ii) First Amendment to the Lease; (iii) First Amendment to the Leasehold Deed of Trust from the Authority to the individual trustees named therein, as trustees; (iv) First Amendment to the Assignment of Rents and Leases, and (v) First Supplemental Indenture of Trust, as applicable; and

WHEREAS, all the documents listed above are referred to in this Resolution as the "Basic Documents";

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

1. **Issuance of Bond.** The County requests that the Authority issue its Bond as may be directed by the Chairman of the Board (the "Chairman") or the County Administrator for the purposes of refunding the outstanding principal amount of the 2006A Bonds and financing the costs of issuing the Bond. The Bond shall be dated the date of its issuance and delivery and shall, except as otherwise agreed to by the Lender and the County, be issued and sold to the Lender on the terms and conditions set forth in the term sheet to be presented to the Board on February 22, 2016 (the "Term Sheet"), which Term Sheet is approved, and may contain such additional terms as may be approved by the Chairman or the County Administrator, with such approval to be evidenced by the execution and delivery of the First Amendment to the Financing Lease.

2. **Authorization of Basic Documents.** The Bond and the Basic Documents are approved with such changes, insertions or omissions as may be approved by the Chairman or the County Administrator, or either of them, whose approval shall be evidenced conclusively by the execution and delivery of the Basic Documents to which the County is a party. Forms of the First Amendment to the Financing Lease, the First Amendment to the Lease and the First Amendment to the Deed of Trust are on file with the County Administrator. The execution and delivery of and performance by the County of its obligations under the Bond and the Basic Documents to which it is a party are authorized.

3. **Execution of the Basic Documents.** The Chairman and the County Administrator, or either of them, are authorized to execute on behalf of the County the Basic Documents to which the County is a party, and, if required, the County Administrator is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents and to attest such seal. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, reimbursement agreements, documents or certificates, and to do and perform such things and acts and to take such further action, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Basic Documents; and all of the foregoing, previously done or performed by such officers or agents of the County, are in all respects approved, ratified and confirmed.

4. **Findings.** The County hereby requests that the Authority issue the Bond and enter into the Basic Documents to refund the 2006A Bonds in order to reduce the payments payable by the County pursuant to the original Financing Lease dated as of November 1, 2006, as amended by the First Amendment to the Financing Lease, and therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the County and thereby will protect and promote the safety, health, welfare, convenience and prosperity of the inhabitants of the County.

5. **Costs and Expenses.** All costs and expenses in connection with the undertaking of the refinancing of the 2006A Bonds and the issuance of the Bond, including the Authority's fees and expenses and the fees and expenses of bond counsel and counsel for the Authority and the School Board, shall be paid from the proceeds of the Bond, or other legally available funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

6. Nature of Obligations. The Authority shall not be obligated to make any payments under the Bond or the Basic Documents except from payments made by or on behalf of the County under the First Amendment to the Financing Lease and the County's obligation to make payments pursuant to the Basic Documents is subject to annual appropriation by the Board. The County Administrator is directed to submit for each fiscal year a request to the Board for an appropriation to the Authority for an amount equal to the rental payments coming due under the First Amendment to the Financing Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to this Resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board for such purpose. If at any time during any fiscal year of the County throughout the term of the First Amendment to the Financing Lease, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the payments required under the Basic Documents, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit. Nothing in this Resolution, the Bond or the Basic Documents shall constitute a pledge of the full faith and credit of the County beyond the constitutionally permitted annual appropriations.

7. Tax Certificate. The County Administrator and the Director of Finance are hereby authorized and directed to execute and deliver on behalf of the County a tax compliance certificate or agreement or other similar document (the "Tax Compliance Agreement"). The Tax Compliance Agreement shall contain such covenants as may be necessary regarding applicable regulations relating to the exclusion from gross income of interest on the Bond in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations. The County covenants that it shall comply with the provisions of the Tax Compliance Agreement and the Tax Code so that the interest on the Bond is excludable from gross income under the Tax Code.

8. Further Actions. The County Administrator and the Director of Finance are hereby authorized and directed to take further action as each deems necessary or appropriate regarding the issuance of the Bond and the refunding of the 2006A Bonds. All actions taken by officers and agent of the County in connection with the issuance of the Bond is hereby ratified and confirmed. The officers and agents of the County are hereby authorized and directed to take such further actions as each deems necessary regarding the issuance of the Bond and all actions taken by such officers and agent in connection with the issuance of the Bond is hereby ratified and confirmed.

9. Exercise of Discretion and Authorizations. Any authorization of an officer of the County under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the County, unless expressly provided otherwise. The authorizations granted in this Resolution to the Chairman of the Board may be carried out by the Vice Chairman, in the absence or unavailability of the Chairman. The authorizations granted in this Resolution to the County Administrator may be carried out by any Interim, Acting or Assistant County Administrator, in the absence or unavailability of the County Administrator. The authorizations granted in this Resolution to the Director of Finance may be carried out by any Interim, Acting

or Assistant Director of Finance, in the absence or unavailability of the Director of Finance. When one or more officer is authorized to take an action hereunder, it shall be sufficient for one such officer to act on behalf of the County. If any officer authorized under this Resolution designates another officer of the County to act on such primary officer's behalf, such designee shall have the power and authority granted by this Resolution to the primary officer.

10. Effective Date. This Resolution shall take effect immediately.

Prepared by:
Arthur E. Anderson II
McGuireWoods LLP
800 East Canal Street
Richmond, Virginia 23219

Tax Parcel No. 77-36

FIRST AMENDMENT TO LEASE

This instrument is exempt from recordation taxes pursuant to § 58.1-811 of the Code of Virginia of 1950, as amended.

THIS FIRST AMENDMENT TO LEASE is dated as of March ____, 2016 (this "Amendment"), and made by the **SOUTHAMPTON COUNTY SCHOOL BOARD**, a political subdivision of the Commonwealth of Virginia (the "School Board"), as lessor, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), as lessee.

WITNESSETH:

WHEREAS, pursuant to a Lease dated as of November 1, 2006 (the "Original Lease") and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia (the "Clerk's Office") as Instrument No. 060005085, between the School Board and the Authority, the Authority acquired from the School Board a leasehold interest in the School Board's portion of that certain real estate and improvements located thereon located in Southampton County, Virginia, as more fully described on Exhibit A (the "Real Estate");

WHEREAS, pursuant to a Financing Lease dated as of November 1, 2006 (the "Original Financing Lease") and recorded in the Clerk's Office as Instrument No. 060005086, by and between the Authority, the School Board and the County of Southampton, Virginia, a political subdivision of the Commonwealth of Virginia (the "County"), the Authority financed the Financed Projects (as defined in the Original Financing Lease) and leased the Leased Project (as defined in the Original Financing Lease) from the County and leased it back to the County;

WHEREAS, the Authority acquired the Original Financing Lease with proceeds of its \$21,300,000 Public Facility Lease Revenue Bonds (Southampton County, Virginia Public Facilities Project), Series 2006A (the "Series 2006A Bonds");

WHEREAS, capitalized terms used but not defined herein have the meanings given to them in the Original Lease;

WHEREAS, the Authority plans to issue its \$_____ Lease Revenue Refunding Bond (Southampton County, Virginia Public Facility Projects), Series 2016 (the "Series 2016 Bond") and use a portion of the proceeds of the Series 2016 Bond to acquire a First Amendment and Supplement to Financing Lease dated as of March ____, 2015 (the "Financing Lease Amendment"), which amends the Original Financing Lease;

WHEREAS, as set forth in the Financing Lease Amendment, the Authority, the School Board and the County are entering into the Financing Lease Amendment to refund the Series 2006A Bonds; and

WHEREAS, in connection with the amending and supplementing of the Original Financing Lease, the Authority and the School Board desire to amend the Original Lease as set forth herein;

NOW, THEREFORE, the Authority and the School Board agree as follows:

Section 1. Amendments to the Original Lease.

(a) The definition of "Project" is hereby amended to mean the project described in the Original Lease and any other project financed under the Financing Lease (as defined in this Amendment).

(b) The definition of "Financing Lease" is hereby amended to mean the Original Financing Lease as amended by the Financing Lease Amendment and such amendments, supplements and modifications to the Original Financing Lease that are entered into, from time to time.

(c) All references to the term "Lease" in the Original Lease mean the Original Lease as amended by this Amendment and as it is amended, supplemented and modified from time to time.

(d) The term of the Original Lease is hereby amended such that the term of the Lease ends on _____, 20__.

Section 2. Ratification. Except as otherwise expressly amended herein, all the terms and conditions of the Original Lease are hereby ratified and confirmed.

Section 3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute the one and same Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authority and the School Board have caused this First Amendment to Lease to be duly executed as of the day and year first above written.

(SEAL)

SOUTHAMPTON COUNTY SCHOOL BOARD

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

COMMONWEALTH

COUNTY OF SOUTHAMPTON, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ and _____ as Superintendent and _____, respectively, of the Southampton County School Board, on behalf of the Southampton County School Board.

My commission expires:_____.

[SEAL]

Notary Public

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
_____, Secretary-Treasurer

COMMONWEALTH

COUNTY OF SOUTHAMPTON, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ and _____ as Chairman and Secretary-Treasurer, respectively, of the Industrial Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires: _____.

[SEAL]

Notary Public

EXHIBIT A

Description of Real Estate

All that certain tract or parcel of land located in the County of Southampton, Virginia, containing 32.25 acres, more or less, designated as "PARCEL 2", as shown on that certain plat of entitled, "SUBDIVISION OF THE PROPERTY OF HAMPTON ROADS DEVELOPMENT, L.L.C.", dated November 23, 2005, revised September 25, 2006, made by Woolpert, Inc., and a copy of which said plat is attached to that certain Deed of Gift made as of September 25, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on October 3, 2006, as Instrument #060004464, as corrected by that certain Corrected Deed of Gift made as of October 27, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on November 9, 2006, as Instrument #060005030, to which said Plat reference is here made for a more particular description of the property.

Together with all and singular the buildings and improvements thereon, rights and privileges, tenements, hereditaments, easements and appurtenances belonging or in any way appertaining to said land.

Subject, however, to any and all covenants, restrictions, easements, rights-of-way, agreements and conditions of record or apparent on the ground affecting said property.

Further subject, however, to easements, twenty-five (25) feet in width, around the buildable, upland perimeter of the Property as shown in the attached plat hereby reserved by the Grantor for the installation, operation, maintenance, repair and replacement of underground utilities, drainage facilities, and landscaping, together with a right of access over such portion of the Property as shall be necessary for the foregoing. The easement shall run with the title to, and burden, the Property and shall be binding upon the School Board and its successors in title and shall run with the title to, and benefit, the remaining adjoining real property owned by Grantor and every part thereof and shall inure to the benefit of Grantor and its successors in title, including the successor owners of the remaining adjoining real property owned by Grantor and any portion thereof.

Prepared by:
Arthur E. Anderson II
McGuireWoods LLP
800 East Canal Street
Richmond, Virginia 23219

Tax Parcel No. 77-36

FIRST AMENDMENT TO FINANCING LEASE

BETWEEN

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
SOUTHAMPTON COUNTY, VIRGINIA,**

SOUTHAMPTON COUNTY SCHOOL BOARD

AND

COUNTY OF SOUTHAMPTON, VIRGINIA

Dated as of March _____, 2016

THIS AGREEMENT IS EXEMPT FROM RECORDATION TAXES IMPOSED BY SECTION 58.1-801 OF THE CODE OF VIRGINIA (THE "VIRGINIA CODE") BY VIRTUE OF SECTION 58.1-811(A)(3) OF THE VIRGINIA CODE AND FROM THE PAYMENT OF ANY CLERK'S FEE BY VIRTUE OF SECTION 17.1-266 OF THE VIRGINIA CODE; AND, FURTHER, IS EXEMPT FROM THE TAXES IMPOSED BY SECTION 58.1-802 OF THE VIRGINIA CODE BY VIRTUE OF SECTION 58.1-811 (C)(2) OF THE VIRGINIA CODE.

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FIRST AMENDMENT TO FINANCING LEASE

This **FIRST AMENDMENT TO FINANCING LEASE** (the "Financing Lease Amendment") is made as of March __, 2016, between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), the **SOUTHAMPTON COUNTY SCHOOL BOARD** (the "School Board"), a political subdivision of the Commonwealth of Virginia, the **COUNTY OF SOUTHAMPTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County").

A. The Authority leased to the County, and the County leased from the Authority, the real and personal property constituting the Elementary School Project (as defined below) pursuant to (i) a Financing Lease dated as of November 1, 2006 (the "Original Financing Lease") and recorded in the Clerk's Office for the County of Southampton, Virginia (the "Clerk's Office") as Instrument No. 060005086, between the Authority, the School Board and the County, and (ii) a Lease dated as of November 1, 2006 (the "Original Lease") and recorded in the Clerk's Office as Instrument No. 060005085, between the Authority and the School Board.

B. The Authority and the County entered into the Original Financing Lease and the Original Lease in connection with the issuance by the Authority of its \$21,300,000 Public Facility Lease Revenue Bonds (Southampton County, Virginia Public Facilities Project), Series 2006A (the "Series 2006A Bonds"), issued on November 15, 2006, to finance the costs of the construction, improvement and equipping of the new Riverdale Elementary School (the "Elementary School Project"), which is owned by the School Board, and the financing of certain public infrastructure improvements and road improvements at the Turner Tract Industrial Park.

C. The Authority issued the Series 2006A Bonds pursuant to an Indenture of Trust dated as of November 1, 2006 (the "Original Indenture"), among the Authority and Regions Bank, as trustee (the "Trustee").

D. The Bonds (as defined in the Original Financing Lease) are additionally secured by (i) a Leasehold Deed of Trust and Security Agreement dated as of November 1, 2006 (the "Deed of Trust") and recorded in the Clerk's Office as Instrument No. 060005087, and (ii) an Assignment of Rents and Leases dated as of November 1, 2006 (the "Assignment of Rents and Leases") and recorded in the Clerk's Office as Instrument No. 060005088, between the Authority and the Trustee.

E. The Authority, at the request of the County, has determined to issue its \$_____ Lease Revenue Refunding Bond (Southampton County, Virginia Public Facility Projects), Series 2016 (the "Series 2016 Bond") to refund the outstanding principal amount of the Series 2006A Bonds maturing on _____ (the "Refunded Bonds").

F. The Authority intends to issue the Series 2016 Bond pursuant to the Original Indenture, as amended by a First Supplemental Indenture of Trust dated as of March __, 2016 (the "First Supplemental Indenture"), between the Authority and the Trustee. The Series 2016 Bond will be secured by a Deed of Trust and the Assignment of Rents and Leases, as amended by a First Amendment to the Deed of Trust and the Assignment of Rents and Leases dated as of

March __, 2016 (the "Deed of Trust Amendment"), among the Authority, the Trustee and the Deed of Trust Trustees (as defined in the Original Financing Lease). The Authority, the County and the School Board desire to enter into this Financing Lease Amendment, along with the Original Lease, as amended by the First Amendment to the Lease (the "Lease Amendment"), in order to provide for the issuance of the Series 2016 Bond.

H. The amendments set forth herein are required and permitted by the Indenture (as defined in the Original Financing Lease) in connection with the issuance of Additional Bonds (as defined in the Indenture).

NOW THEREFORE, the Authority and the County hereby agree as follows:

ARTICLE I

DEFINITIONS

The capitalized terms contained in this Financing Lease Amendment have the meanings set forth in the Original Financing Lease, unless amended hereby.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the County and the School Board. The County and the School Board make the following representations as the basis for its undertakings under this Financing Lease Amendment:

(a) The County and the School Board are each a political subdivision of the Commonwealth duly created and validly existing under and pursuant to the laws of the Commonwealth.

(b) The County and the School Board have full legal right, power and authority: (i) to execute and deliver this Financing Lease Amendment, the First Amendment to Lease dated as of March __, 2016 (the "Amendment to Lease"), between the County and the Authority, and any other documents related thereto; and (ii) to carry out and consummate all other transactions contemplated by such documents.

(c) To the best of the Board and the School Board's knowledge, the County and the School Board are not in default in the payment of the principal of or interest on any indebtedness for borrowed money and are not in default under any instrument under and subject to which any indebtedness has been or may be incurred, and no event has occurred and is continuing under the provisions of any such instrument which, with the lapse of time or giving of notice, or both, would constitute an event of default thereunder.

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any federal or local official is required in connection with (i) the execution and delivery of this Financing Lease Amendment and the other Basic Documents to

which they are a party or (ii) the performance by the County and the School Board of their obligations under this Financing Lease Amendment and the other Basic Documents to which it is a party.

(e) No litigation or investigation by any judicial or governmental body or agency is pending or, to the best of the Board or the School Board's knowledge, threatened to: (i) enjoin, restrain or otherwise affect the execution, delivery or validity of the Resolution, the Financing Lease Amendment and the Amendment to Lease; or (ii) challenge, contest or affect the creation, existence or powers of the Board or the School Board, the incumbency of the Board or the School Board's officers or the validity or enforceability of any action taken by the Board or the School Board with respect to the Resolution and the Series 2016 Bond or any transactions authorized thereby or related thereto. No litigation or investigation by any judicial or governmental body or agency is pending or, to the best of the Board or the School Board's knowledge, threatened which challenges or contests the collection of rental payments hereunder for the payment thereof to the Authority or its assignee. There is no litigation or investigation by any judicial or governmental body or agency pending or, to the best of the Board or the School Board's knowledge, threatened against the County, the School Board or any of the property or assets under the control of the County or the School Board which involves the possibility of any judgment or liability which may adversely affect the feasibility of refunding the Refunded Bonds.

(f) The refunding of the Refunded Bonds will reduce the Basic Rent payable by the County pursuant to the Financing Lease, as amended by this Financing Lease Amendment, and therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the County.

Section 2.2 Representations by the Authority. The Authority makes the following representations as the basis for its undertakings hereunder:

(a) The Authority is a political subdivision of the Commonwealth.

(b) The Authority has full legal right, power and authority to: (i) enter into and to carry out its obligations under this Financing Lease Amendment, the Lease Amendment, the Deed of Trust Amendment, the Indenture Amendment and the First Supplemental Indenture (collectively, the "Series 2016 Bond Documents") and to issue the Series 2016 Bond; (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under this Financing Lease Amendment and the other Series 2016 Bond Documents and any other documents related thereto and the issuance of the Series 2016 Bond.

(c) The Authority is not in default under or in violation of, and the execution, delivery and compliance by the Authority with the terms and conditions of this Financing Lease Amendment, the other Series 2016 Bond Documents and the Series 2016 Bond, will not conflict with or constitute or result in a default under or violation of, the Act or any other existing law, rule or regulation applicable to the Authority.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it

with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver this Financing Lease Amendment, the other Series 2016 Bond Documents or the Series 2016 Bond, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Authority who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required in connection with (i) the issuance and delivery of the Series 2016 Bond by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of this Financing Lease Amendment, the other Series 2016 Bond Documents or the Series 2016 Bond, or (iii) the pledge and assignment made by the Authority to the Trustee under Article II of the Indenture, provided that no representation is made with respect to any federal or state securities or blue sky laws or regulations.

(f) The execution, delivery and compliance with the terms and conditions of this Financing Lease Amendment, the other Series 2016 Bond Documents and the Series 2016 Bond will not conflict with or constitute on the part of the Authority a violation of, breach of or default under any statute, ordinance, bylaw, indenture, mortgage, deed of trust, resolution, bond, note or other agreement or instrument to which the Authority is a party or by which it is bound or, to its knowledge, any judgment, decree, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of the Authority's activities or properties.

ARTICLE III

AMENDMENTS TO FINANCING LEASE

Section 3.1 Amendment to Section 1.1 of the Original Financing Lease (Definitions). The following terms defined in Section 1.1 of the Original Financing Lease are deleted in their entirety and replaced with the definitions listed below:

"Assignment of Rents and Leases" means the Assignment of Rents and Leases dated as of November 1, 2006, from the Authority to the Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and hereof.

Section 3.2 [Amendment to Section 5.1 of the Original Financing Lease (Term of Financing Lease)]. Section 3.2 of the Original Financing Lease is hereby amended so that references to "April 1, 2028" in replaced with to "_____, 2031."]

Section 3.3 Amendment to Section 5.2(a)(i),(ii) of the Original Financing Lease (Payment of Rental Payments). Section 5.2(a)(i),(ii) of the Original Financing Lease is amended and restated to read in its entirety as follows:

“(a) The County will pay to the Authority the following Basic Rent for the Project on the dates and in the amounts as follows:

(i) Commencing on _____, 2017, and on each _____ and _____ thereafter, the amount which, together with any other money available in the Bond Fund, will equal the interest due on the Bonds Outstanding on the following _____ 1 or _____ 1; and

(ii) On _____, and on each _____ thereafter, the amount which, together with other money available in the Bond Fund, will equal the principal due (whether at maturity or pursuant to mandatory sinking fund redemption) on the Bonds Outstanding on the following _____.”

Section 3.4 Amendment to Section 5.4(b) of the Original Financing Lease (Prepayment of Rental Payments). Section 5.4(b) of the Original Financing Lease is hereby deleted in its entirety.

Section 3.5 Amendment to Section 8.8 of the Original Financing Lease (Continuing Disclosure). Section 8.8 of the Original Financing Lease is hereby amended so that references to "Bonds" in such section refers solely to the "Series 2006A Bonds."

Section 3.6 Amendment to Section 8.9 of the Original Financing Lease (Consent of Insurer). Section 12.12 of the Original Financing Lease is hereby amended by deleting the text prior to the start of the section and inserting the following text: "*For so long as the Series 2006A Bonds are outstanding or any amounts are payable to the Insurer and there is no default by the Insurer under the Financial Guaranty Insurance Policy.*"

ARTICLE IV

MISCELLANEOUS

Section 4.1 Ratification. The terms and provisions set forth in this Financing Lease Amendment hereby modify and supersede all inconsistent terms and provisions set forth in the Original Financing Lease, and except as expressly modified and superseded by this Financing Lease Amendment, the terms and provisions of the Original Financing Lease are ratified and confirmed and shall continue in full force and effect.

Section 4.2 Successors and Assigns. This Financing Lease Amendment is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

Section 4.3 Severability. If any provision of this Financing Lease Amendment is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

Section 4.4 Counterparts. This Financing Lease Amendment may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

Section 4.5 Joinder by Trustee. The Trustee joins in this Financing Lease Amendment for the sole purpose of acknowledging and agreeing to the amendment of the Original Financing Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment to Financing Lease as of the date first above written.

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____

Name: _____

Title: _____

ATTEST:

By: _____
_____, Secretary-Treasurer

COMMONWEALTH

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ and _____ as Chairman and Secretary-Treasurer, respectively, of the Industrial Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires:_____.

[SEAL]

Notary Public

(SEAL)

SOUTHAMPTON COUNTY SCHOOL BOARD

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

COMMONWEALTH

_____ OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ and _____ as Superintendent and _____, respectively, of the Southampton County School Board, on behalf of the Southampton County School Board.

My commission expires:_____.

[SEAL]

Notary Public

(SEAL)

COUNTY OF SOUTHAMPTON, VIRGINIA

By: _____

Name: Michael W. Johnson

Title: County Administrator

ATTEST:

By: _____

Name: _____

Title: _____

COMMONWEALTH

COUNTY OF SOUTHAMPTON, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Michael W. Johnson and _____, as County Administrator and _____, respectively, on behalf of the County of Southampton, Virginia.

My commission expires:_____.

[SEAL]

Notary Public

ACKNOWLEDGED AND CONSENTED TO:

REGIONS BANK, as Trustee

By: _____

Name: _____

Title: _____

COMMONWEALTH

CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ as _____ of Regions Bank, as Trustee, on behalf of the bank.

My commission expires:_____.

[SEAL]

Notary Public

EXHIBIT A

DESCRIPTION OF REAL ESTATE

All that certain tract or parcel of land located in the County of Southampton, Virginia, containing 32.25 acres, more or less, designated as "PARCEL 2", as shown on that certain plat of entitled, "SUBDIVISION OF THE PROPERTY OF HAMPTON ROADS DEVELOPMENT, L.L.C.", dated November 23, 2005, revised September 25, 2006, made by Woolpert, Inc., and a copy of which said plat is attached to that certain Deed of Gift made as of September 25, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on October 3, 2006, as Instrument #060004464, as corrected by that certain Corrected Deed of Gift made as of October 27, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on November 9, 2006, as Instrument #060005030, to which said Plat reference is here made for a more particular description of the property.

Together with all and singular the buildings and improvements thereon, rights and privileges, tenements, hereditaments, easements and appurtenances belonging or in any way appertaining to said land.

Subject, however, to any and all covenants, restrictions, easements, rights-of-way, agreements and conditions of record or apparent on the ground affecting said property.

Further subject, however, to easements, twenty-five (25) feet in width, around the buildable, upland perimeter of the Property as shown in the attached plat hereby reserved by the Grantor for the installation, operation, maintenance, repair and replacement of underground utilities, drainage facilities, and landscaping, together with a right of access over such portion of the Property as shall be necessary for the foregoing. The easement shall run with the title to, and burden, the Property and shall be binding upon the School Board and its successors in title and shall run with the title to, and benefit, the remaining adjoining real property owned by Grantor and every part thereof and shall inure to the benefit of Grantor and its successors in title, including the successor owners of the remaining adjoining real property owned by Grantor and any portion thereof.

Prepared by:
Arthur E. Anderson II
McGuireWoods LLP
800 East Canal Street
Richmond, Virginia 23219

Tax Parcel No. 77-36

**FIRST AMENDMENT TO
LEASEHOLD DEED OF TRUST AND SECURITY AGREEMENT**

This instrument is exempt from recordation taxes pursuant to § 58.1-811 of the Code of Virginia of 1950, as amended.

THIS FIRST AMENDMENT TO LEASEHOLD DEED OF TRUST AND SECURITY AGREEMENT dated as of March __, 2016 (this "Amendment"), is made between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF SOUTHAMPTON COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), and [NAME], who is a resident of the _____, Virginia and whose address is _____, and [NAME], who is a resident of the County of Henrico, Virginia and whose address is _____, as trustees (the "Deed of Trust Trustees").

W I T N E S S E T H :

WHEREAS, pursuant to a Lease dated as of November 1, 2006 (the "2006 Lease") and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia (the "Clerk's Office"), as Instrument No. 060005085, between the Southampton County School Board (the "School Board") and the Authority, the Authority acquired from the School Board a leasehold interest in certain real estate and improvements located in in Southampton County, Virginia, as more fully described in the Lease (the "Real Estate") and as described in Exhibit A.

WHEREAS, pursuant to a Financing Lease dated as of November 1, 2006 (the "Original Financing Lease") and recorded in the Clerk's Office as Instrument No. 060005086, by and between the Authority, the School Board and the County of Southampton, Virginia, a political subdivision of the Commonwealth of Virginia (the "County"), the School Board leased the Real Estate to the Authority in connection with the financing of certain projects more specifically described in the Original Financing Lease.

WHEREAS, the Authority acquired the Original Financing Lease with proceeds of its \$21,300,000 Public Facility Lease Revenue Bonds (Southampton County, Virginia Public Facilities Project), Series 2006A (the "Series 2006A Bonds"). As security for the Series 2006A Bonds, the Authority entered into a Leasehold Deed of Trust and Security Agreement dated as of November 1, 2006 (the "Original Deed of Trust") and recorded in the Clerk's Office as Instrument No. 060005087, for the benefit of the Deed of Trust Trustees.

WHEREAS, capitalized terms used but not defined herein have the meaning given to them in the Original Deed of Trust.

WHEREAS, the Authority intends to issue its \$_____ Lease Revenue Refunding Bond (Southampton County, Virginia Public Facility Projects), Series 2016 (the "Series 2016

Bond") and use a portion of the proceeds of the 2016 Bond to acquire a First Amendment and Supplement to Financing Lease dated as of March _____, 2016 (the "Financing Lease Amendment"), which amended and supplemented the Original Financing Lease.

WHEREAS, in connection with the amending and supplementing of the Original Financing Lease, the Authority desires to amend the Original Deed of Trust as set forth herein.

NOW, THEREFORE, the Authority hereby amends the Original Deed of Trust as follows:

Section 1. Amendments to the Original Deed of Trust.

(a) The definition of "Bonds" is hereby amended to mean the Series 2016 Bond.

(b) The definition of the "Financing Lease" is hereby amended to mean the Original Financing Lease, as amended by the Financing Lease Amendment, and as such document may be amended, supplemented and modified, from time to time.

(c) The definition of "Basic Documents" is hereby amended to reflect the amendment to the definition of the Financing Lease.

(d) The definition of "Indenture" is hereby amended to include the Twenty-Eighth Supplemental Series Indenture of Trust dated as of August 1, 2014, between VRA and the Trustee, and such other supplemental indentures that are entered into from time to time.

(e) The definition of "Obligations" is hereby amended to reflect the amendment to the definition of Bonds.

(f) All references to the term "Deed of Trust" in the Original Deed of Trust mean the Original Deed of Trust as amended by this Amendment.

Section 2. Ratification. Except as otherwise expressly amended herein, all the terms and conditions of the Original Deed of Trust are hereby ratified and confirmed.

Section 3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute the one and same Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, VRA has caused this First Amendment to Leasehold Deed of Trust and Security Agreement to be duly executed as of the day and year first above written.

Grantor:

(SEAL)

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF SOUTHAMPTON COUNTY, VIRGINIA**

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

_____, Secretary-Treasurer

COMMONWEALTH

COUNTY OF SOUTHAMPTON, to wit:

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by _____ and _____ as Chairman and Secretary-Treasurer, respectively, of the Industrial Development Authority of Southampton County, Virginia, on behalf of the Authority.

My commission expires:_____.

[SEAL]

Notary Public

AGREED & ACKNOWLEDGED:

TRUSTEE:

By: _____
Its: _____

COMMONWEALTH OF VIRGINIA:

CITY OF RICHMOND:

The foregoing instrument was acknowledged before me in the City of Richmond, Virginia, this ____ day of _____ 2016, by _____, as _____, on behalf thereof.

Notary Public

[SEAL]

My commission expires: _____
Notary Registration Number: _____

EXHIBIT A

Description of Real Estate

All that certain tract or parcel of land located in the County of Southampton, Virginia, containing 32.25 acres, more or less, designated as "PARCEL 2", as shown on that certain plat of entitled, "SUBDIVISION OF THE PROPERTY OF HAMPTON ROADS DEVELOPMENT, L.L.C.", dated November 23, 2005, revised September 25, 2006, made by Woolpert, Inc., and a copy of which said plat is attached to that certain Deed of Gift made as of September 25, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on October 3, 2006, as Instrument #060004464, as corrected by that certain Corrected Deed of Gift made as of October 27, 2006 and recorded in the Clerk's Office of the Circuit Court of Southampton County, Virginia on November 9, 2006, as Instrument #060005030, to which said Plat reference is here made for a more particular description of the property.

Together with all and singular the buildings and improvements thereon, rights and privileges, tenements, hereditaments, easements and appurtenances belonging or in any way appertaining to said land.

Subject, however, to any and all covenants, restrictions, easements, rights-of-way, agreements and conditions of record or apparent on the ground affecting said property.

Further subject, however, to easements, twenty-five (25) feet in width, around the buildable, upland perimeter of the Property as shown in the attached plat hereby reserved by the Grantor for the installation, operation, maintenance, repair and replacement of underground utilities, drainage facilities, and landscaping, together with a right of access over such portion of the Property as shall be necessary for the foregoing. The easement shall run with the title to, and burden, the Property and shall be binding upon the School Board and its successors in title and shall run with the title to, and benefit, the remaining adjoining real property owned by Grantor and every part thereof and shall inure to the benefit of Grantor and its successors in title, including the successor owners of the remaining adjoining real property owned by Grantor and any portion thereof.