

**SUPPORT AGREEMENT****\_\_\_\_\_ AUTHORITY**

**THIS SUPPORT AGREEMENT** (this "Support Agreement") is made as of \_\_\_\_\_, 20\_\_, among the **CITY OF \_\_\_\_\_, VIRGINIA** (the "City"), the \_\_\_\_\_ **AUTHORITY** (the "\_\_\_\_\_ Authority"), and the **VIRGINIA RESOURCES AUTHORITY** ("VRA"), as purchaser of the Local Bond (as defined below) pursuant to a Local Bond Sale and Financing Agreement dated as of \_\_\_\_\_, \_\_\_\_ (the "Financing Agreement"), between VRA and the \_\_\_\_\_ Authority.

**RECITALS:**

**WHEREAS**, the \_\_\_\_\_ Authority is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") exercising public and essential governmental functions and created by resolutions duly adopted by the City Council of the City (the "Council") in accordance with the \_\_\_\_\_, for the purpose of servicing the \_\_\_\_\_ needs of the City;

**WHEREAS**, the \_\_\_\_\_ Authority owns and operates a \_\_\_\_\_ system (the "System"), and has determined that it is necessary to make certain capital improvements, including but not limited to \_\_\_\_\_ (collectively, the "Project");

**WHEREAS**, the \_\_\_\_\_ Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the \_\_\_\_\_ Authority;

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

**WHEREAS**, as a condition to the purchase by VRA of the Local Bond, VRA is requiring that the City execute and deliver this Support Agreement;

**AGREEMENT**

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

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

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

3. No later than \_\_\_\_\_ of each year, beginning \_\_\_\_\_, [2026], the

\_\_\_\_\_ Authority shall notify the Council of the amount (the "Annual Deficiency Amount") by which the \_\_\_\_\_ Authority reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Financing Agreement and the Local Bond and (ii) any other payments due and owing by the \_\_\_\_\_ Authority under the Financing Agreement in full as and when due during the City's fiscal year beginning the following July 1.

4. The City Manager of the City (the "City Manager") shall include the Annual Deficiency Amount in his or her budget submitted to the Council for the following fiscal year as an amount to be appropriated to or on behalf of the \_\_\_\_\_ Authority. The City Manager shall deliver to VRA within 10 days after the adoption of the City's budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Council has appropriated to or on behalf of the \_\_\_\_\_ Authority an amount equal to the Annual Deficiency Amount.

5. If at any time the Revenues available to the \_\_\_\_\_ Authority shall be insufficient to make any payments referred to in paragraph 3 hereof, the \_\_\_\_\_ Authority shall notify the City and VRA of the amount of such insufficiency and the City Manager of the City shall request a supplemental appropriation from the Council in the amount necessary to make any such payment.

6. The City Manager shall present each request for appropriation pursuant to paragraph 5 above to the Council, and the Council shall consider such request at the Council's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the City Manager shall notify VRA as to whether the amount so requested was appropriated. If the Council shall fail to make any such appropriation, the City Manager shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the City by the City Manager for the City's next fiscal year.

7. The Council hereby undertakes a non-binding obligation to appropriate such amounts as may be requested by the \_\_\_\_\_ Authority from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth. The Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Councils do likewise.

8. The City and the \_\_\_\_\_ Authority acknowledge that (i) the obligations of the \_\_\_\_\_ Authority to determine, and of the City to appropriate and pay, the amounts required under this Support Agreement are crucial to the security for the Local Bond, (ii) VRA will not purchase the Local Bond without the security and credit enhancement provided by this Support Agreement, and (iii) VRA is treating this Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such nonpayment has occurred within the meaning of Section 62.1-216.1 of the Virginia Code. The City and the \_\_\_\_\_ Authority agree that a "nonpayment" will have occurred if any of the debt service payment due on the Local Bond is not timely and completely made due to the failure of the City to make a City

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

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

10. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the City, to \_\_\_\_\_, \_\_\_\_\_, Virginia \_\_\_\_\_, Attention: Assistant City Manager, (ii) if to the \_\_\_\_\_ Authority, to \_\_\_\_\_, \_\_\_\_\_, Virginia \_\_\_\_\_, Attention: [Chairman], and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

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

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

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

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]

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

**CITY OF \_\_\_\_\_, VIRGINIA**

By: \_\_\_\_\_  
City Manager

\_\_\_\_\_  
**AUTHORITY**

By: \_\_\_\_\_  
[Chairman]

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Executive Director