

FINANCING AGREEMENT

Between

**VIRGINIA RESOURCES AUTHORITY,
as Manager of the Virginia Transportation Infrastructure Bank,**

and

CITY OF ALEXANDRIA, VIRGINIA

Dated as of _____, 20__

**City of Alexandria, Virginia
Tax Revenue Bond
Series 20__**

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FINANCING AGREEMENT

This **FINANCING AGREEMENT** is dated as of _____, 20__, and is between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), as manager of the **VIRGINIA TRANSPORTATION INFRASTRUCTURE BANK** ("VTIB"), and the **CITY OF ALEXANDRIA, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "Borrower").

A. The General Assembly of the Commonwealth of Virginia established the Virginia Transportation Infrastructure Bank pursuant to Article 1, Chapter 15 of Title 33.2 of the Code of Virginia of 1950, as amended (the "VTIB Act"), which authorizes VRA, as manager of VTIB (collectively, the "Lender"), to enter into agreements with one or more obligors to, among other things, make secured loans from VTIB to finance transportation facilities.

B. The Borrower intends to assist in the development of a new infill Metrorail station located at Potomac Yard within the City along the existing Metrorail Blue and Yellow lines (the "Project" or "Metrorail Station").

C. Pursuant to a resolution adopted on January 14, 2015, the Commonwealth Transportation Board authorized a loan (the "VTIB Loan") from VTIB to the Borrower in a principal amount of up to \$50,000,000 plus capitalized interest to finance the Project.

D. As evidence of the VTIB Loan, the Borrower intends to issue a bond in the original principal amount of \$_____ (as more particularly defined in Section 1.1, the "Bond") to Lender, and the Borrower will use the proceeds to finance the design and construction of the Project and the costs related to the issuance of the Bond.

E. VRA is the manager of VTIB, and in such capacity intends to hold the Bond and administer the VTIB Loan and otherwise act on behalf of VTIB with respect such loan.

F. The Borrower and the Lender desire to set forth the terms and conditions with respect to such financing.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Each capitalized term contained in this Agreement has the meaning set forth below:

"Administrative Expenses" means, for any period, the expenses incurred by the Borrower to maintain the Potomac Yard Special Revenue Fund and to calculate and report Annual Potomac Yard Revenues.

"Agreement" means this Financing Agreement dated the date first written above, between the Lender and the Borrower, as modified, altered, amended or supplemented in accordance with the terms hereof.

"Annual Debt Service" has the meaning set forth in Section 6.3.

"Annual Deficiency Amount" has the meaning set forth in Section 5.2(a).

"Annual Potomac Yard Net Revenues" means, for any period, the sum of New City Tax Revenues, Developer Contributions, and Tier I Special Assessment Tax District Revenues and Tier II Special Assessment Tax District Revenues.

"Bond" means the Borrower's \$_____ Tax Revenue Fund, Series 20__, as modified, altered, amended or supplemented from time to time.

"Bond Documents" means this Agreement and the Bond.

"Borrower" has the meaning set forth in the recitals to this Agreement.

"Borrower Representative" means (i) the Mayor or Vice Mayor of the Borrower, (ii) the City Manager, (iii) the Director of Finance and (iv) any other official or employee of the Borrower authorized by resolution of the City Council of the Borrower to perform the act or sign the document in question.

"Borrower's Authorization" means the ordinance adopted on _____, 20__, by a majority of the members of the City Council approving the transactions contemplated by, and authorizing the execution and delivery of, the Bond Documents.

"Business Day" means any day on which commercial banking institutions are generally open for business in New York, New York and Richmond, Virginia.

"Capitalized Interest Period" means the period commencing on the Closing Date and ending on the last day of the 54th month following the month in which the Substantial Completion Date occurs.

"City Council" means the City Council of the City of Alexandria, Virginia.

"City Manager" means the City Manager of the Borrower and includes any Interim, Acting, Deputy or Assistant City Manager, in the absence or unavailability of the primary officer.

"Closing Date" means _____, 20__, or such other date as may be determined by the Lender.

"Debt Service Ramp-Up Period" means a period of four years commencing with the expiration of the Capitalized Interest Period.

"Developer Contributions" means, for any period, all contributions made by the owners of landbays F, G, H, I, and J within the Potomac Yard Assessment District for the purposes of the Metrorail Station.

"Director of Finance" means the Director of Finance of the Borrower and includes any Interim, Acting, Deputy or Assistant Director of Finance, in the absence or unavailability of the primary officer.

"Event of Default" has the meaning set forth in Section 8.1.

"Feasibility Report" means the report of Parsons Brinckerhoff titled "Potomac Yard Metrorail Station Financial Feasibility Analysis Update" dated October 2014.

"Fiscal Year" means the 12-month period beginning July 1 of one year and ending on June 30 of the following year, or if the Borrower has established another 12-month period as its annual accounting period such other 12-month period.

"Lender" has the meaning set forth in the recitals to this Agreement.

"Mandatory Prepayment" has the meaning set forth in Section 6.5.

"Metrorail Station Operating Costs" means, for any period, WMATA's costs to own, operate and maintain the Metrorail Station that WMATA's charges to the City and includes (i) any operating expense deficits specifically allocable to the operation and maintenance of the Metrorail Station under the governing documents of WMATA and (ii) any debt service payments on any Borrower debt issued to finance the costs of the Metrorail Station.

"Metrorail Station" has the meaning set forth in the recitals to this Agreement.

"Moral Obligation Release Condition" means the audited financial statements of the Borrower demonstrate a VTIB Loan Debt Service Coverage Ratio of at least 1.50:1.00 for at least two consecutive Fiscal Years measured at the end of each such Fiscal Year.

"Moral Obligation Release Covenant" has the meaning set forth in Section 5.3.

"Net Annual Potomac Yard Revenues" means Annual Potomac Yard Revenues less Operation and Maintenance Expenses.

"New City Tax Revenues" means, using January 1, 2011, as a baseline date, any of the following new tax revenues:

(1) The revenues generated from the real property taxes on all construction of new real property within the Potomac Yard Assessment Districts, based on the City's real property tax rate and includes all new residential development, office development, retail development, and hotel development.

(2) The revenues generated from a 1% tax on all new retail sales.

(3) The revenues generated from a 6.5% local tax on new incremental gross hospitality revenue.

(4) The revenues generated from a \$1.00 fee per new and occupied hospitality room per night.

(5) The revenues generated from a 4% local tax on restaurant sales.

(6) The revenues generated from any new business license (BPOL) and Business Tangible (BPP) tax revenues.

"Operation and Maintenance Expenses" means all of the following operation and maintenance expenses, to the extent that such expense relates exclusively to Potomac Yard Assessment District, the Metrorail Station Operating Costs, Revenue Set-Asides for City Services, and Administrative Expenses, and are consistent with the operation and maintenance expenses included within the Feasibility Report.

"Parity Debt" means the bonds and other obligations of the Borrower secured by a lien on the Tier I Special Assessment Tax District Revenues on parity with the lien on such revenues that secures the Bond.

"Plans and Specifications" means any and all plans and specifications for the acquisition, construction, operation and maintenance of the Project.

"Potomac Yard Assessment District" means, collectively, the Tier I Special Assessment Tax District, the Tier II Special Assessment Tax District and any other special assessment tax districts established by the Borrower, relating to the Metrorail Station, as the same may be amended by City Council from to time to time.

"Potomac Yard Special Revenue Fund" means the fund of the same name shown on the financial statements of the Borrower.

"Project" has the meaning set forth in the recitals to this Agreement.

"Project Costs" means the costs of the Project; provided such costs are included in the definition of "cost" set forth in Section 33.2-1501 of the VTIB Act.

"Project Cost Disbursement Conditions" has the meaning set forth in Section 4.2(c).

"Proportional Prepayment Amount" means an amount (if any) that once paid will result in an outstanding principal balance on the VTIB Loan that produces a percentage determined by dividing (i) the then outstanding principal balance on the VTIB Loan by (ii) the initial principal amount of the VTIB Loan *that is less than or equal to* the percentage of other debt of the Borrower issued to finance the costs of the Project determined by dividing (i) the then outstanding principal balance on all such other debt by (ii) the initial aggregate principal amount of all such other debt.

"Revenue Set-Asides for City Services" means

(1) 60% of the revenues generated under item (1) in the definition of New City Tax Revenues that relate to residential construction.

(2) 13% of the revenues generated under (i) item (1) in the definition of New City Tax Revenues that relate to retail construction and (ii) item (2) in the definition of New City Tax Revenues.

(3) 17% of the revenues generated under item (1) in the definition of New City Tax Revenues that relate to office construction.

(4) 6% of the revenues generated under (i) item (1) in the definition of New City Tax Revenues that relate to hotel construction, (ii) item (3) in the definition of New City Tax Revenues and (iii) item (4) in the definition of New City Tax Revenues.

"Subordinate Debt" means obligations of the Borrower secured by a lien on the Tier I Special Assessment Tax District Revenues expressly made subordinate to the lien on such revenues securing the Bond and any other Parity Debt, and any obligations to make deposits related to reserve funds, rebate funds and similar funds or accounts established for the benefit of the Bond or any other Parity Debt.

"Substantial Completion Date" means the date on which the Project is open for Metrorail passenger service.

"Tier I Special Assessment Tax District" means the Tier I Potomac Yard Metrorail Station Special Services District established by the Borrower pursuant to Ordinance No. 4693 passed by the City Council on December 18, 2010, as the same services district may be amended by City Council from to time to time.

"Tier I Special Assessment Tax District Revenues" means the revenues generated from a \$0.20 per \$100 of valuation real property tax on landbays F, G, H, and the multifamily portion of landbay I within the Potomac Yard Assessment District and includes all prior annual tax collections.

"Tier II Special Assessment Tax District" means the Tier II Potomac Yard Metrorail Station Special Services District established by the Borrower pursuant to Ordinance No. 4722 passed by the City Council on June 25, 2011, as the same services district may be amended by City Council from to time to time.

"Tier II Special Assessment Tax District Revenues" means the revenues generated from a \$0.10 per \$100 of valuation real property tax on non-multifamily development within landbay I and all of landbay J within the Potomac Yard Assessment District.

"VRA" has the meaning set forth in the recitals to this Agreement.

"VTIB" has the meaning set forth in the recitals to this Agreement.

"VTIB Act" has the meaning set forth in the recitals to this Agreement.

"VTIB Loan" has the meaning set forth in the recitals to this Agreement.

"VTIB Loan Debt Service Coverage Ratio" means, for any period, a ratio (i) the numerator of which is equal to the Tier I Special Assessment Tax District Revenues for such period and (ii) the denominator of which is equal to the maximum remaining scheduled Annual Debt Service on the VTIB Loan.

"WMATA" has the meaning given to it in Section 3.2(h).

Section 1.2 Rules of Construction. The following rules apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of the Bond do not refer to or connote the payment of the Bond at its stated maturity.

(c) All references in this Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Agreement unless otherwise indicated.

(d) The headings and table of contents as used in this Agreement are solely for convenience of reference and do not constitute a part of this Agreement and do not affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Lender. The Lender hereby represents to the Borrower as follows:

(a) The Lender has full right, power and authority to make and administer the VTIB Loan, as evidenced by the Bond from the Borrower as contemplated under this Agreement and carry out and consummate all other transactions contemplated by this Agreement.

(b) The Lender has duly authorized, executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Lender enforceable against the Lender in accordance with its terms.

Section 2.2 Representations by the Borrower. The Borrower hereby represents to the Lender as follows:

(a) The Borrower is a duly created and validly existing "governmental entity" (as defined in Section 33.2-1501 of the VTIB Act) and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Borrower's Authorization and execute and deliver the Bond Documents and all related documents, (ii) issue and deliver its Bond to the Lender and (iii) carry out and consummate all of the transactions contemplated by the Borrower's Authorization, the Bond and the Bond Documents.

(c) The Borrower's Authorization authorized the execution and delivery of this Agreement, and this Agreement is in substantially the same form on file with the Borrower at the City Council meeting at which the Borrower's Authorization was adopted. The Borrower's Authorization was filed in the Circuit Court of the City of Alexandria, Virginia, on _____, ____.

(d) The Borrower has obtained all governmental permits, licenses, registrations, certificates, authorizations and approvals that it is required to obtain, as of the Closing Date, for the Borrower's (i) adoption of the Borrower's Authorization, (ii) execution and delivery of the Bond Documents and the Bond and (iii) performance of its obligations under the Bond Documents and the Bond. The Borrower knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals that it is required to obtain but not required to be obtained by the Closing Date cannot be obtained as required in the future.

(e) The Borrower has executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(f) When executed and delivered in accordance with the Borrower's Authorization and this Agreement, the Bond will have been executed and delivered by duly authorized officials of the Borrower and will constitute a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

(g) The issuance of the Bond and the execution and delivery of the Bond Documents and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of (i) to the best of the Borrower's knowledge, any federal, or Virginia constitutional or statutory provision, including the Borrower's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(h) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Borrower (i) to the best of the Borrower's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bond or the Bond Documents and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bond and the Bond Documents. The Borrower's execution and delivery of the Bond and the Bond Documents and its compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) Except as set forth in Exhibit B, there are not pending nor, to the best of the Borrower's knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Borrower's Authorization, the Bond Documents or the issuance or delivery of the Bond, (iii) in any way contesting or affecting the validity or enforceability of the Bond, the Borrower's Authorization, the Bond Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Borrower's Authorization, the Bond Documents or the Bond or (v) affecting the Project.

(k) The financial statements, applications and other information that the Borrower furnished to the Lender in connection with this Agreement fairly and accurately portray the Borrower's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Borrower since the date of the financial statements provided to the Lender in connection with this Agreement.

(l) Nothing that would constitute an Event of Default hereunder has occurred and is continuing, and no event or condition exists that with the passage of time or the giving of notice, or both, would constitute an Event of Default hereunder.

(m) There is no Parity Debt outstanding on the date of this Agreement.

(n) The Borrower expects that collection of the Tier II Special Assessment Tax District Revenues will begin in the calendar year after the year in which the Substantial Completion Date occurs.

(o) A true, correct and complete copy of the Feasibility Report is attached as Exhibit E.

ARTICLE III

VTIB LOAN EVIDENCED BY BOND

Section 3.1 VTIB Loan Evidenced By Bond. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, the Lender agrees to make the VTIB Loan in the amount of \$_____, as evidenced by the Bond. The Borrower shall issue the Bond pursuant to the Borrower's Authorization and in substantially the form of Exhibit A to this Agreement.

Section 3.2 Conditions Precedent to the VTIB Loan. The Lender shall not be required to make the VTIB Loan, as evidenced by the Bond, unless the Lender has received the following, all in form and substance satisfactory to the Lender:

(a) Certified copies of the Borrower's Authorization and all other ordinances and resolutions of the Borrower relating to the Bond Documents, if any.

(b) A certificate of the appropriate officials of the Borrower dated the Closing Date as to the matters set forth in Section 2.2 (to the extent applicable), including appropriate certifications regarding the Bond Documents, and such other matters as the Lender may reasonably require.

(c) Evidence that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(d) An opinion of counsel to the Borrower in substantially the form attached as Exhibit D.

(e) An opinion of bond counsel to the Borrower in form and substance reasonably satisfactory to the Lender.

(f) Approval to build the Metrorail Station alternative A or B as part of the National Environmental Policy Act process which is not substantially different than build alternatives A and B as described as part of the Borrower's VTIB application.

(g) Completion of the final Environmental Impact Statement required under the National Environmental Policy Act.

(h) Executed Memorandum of Understanding with the Washington Metropolitan Area Transit Authority ("WMATA") in regards to construction and operation of the Metrorail Station.

(i) Adequate funding is reflected within the City's Capital Improvement Plan to complete construction of the Project inclusive of the VTIB Loan.

(j) The executed Bond.

(k) Such other documentation, certificates and opinions as the Lender may reasonably require.

ARTICLE IV

THE LOAN AND THE PROJECT

Section 4.1 Agreement to Cooperate in Furtherance of the Project. (a) The Borrower shall cooperate with all parties to cause the Project to be acquired, constructed, expanded, renovated, equipped or financed substantially as described in the Plans and Specifications and in accordance with this Agreement. The Borrower shall use its best efforts to obtain funds to assist to complete, or cause to be completed, the Project in accordance with the Plans and Specifications. The Borrower shall cooperate with all parties to effect the approval of all applicable regulatory agencies to the Plans and Specifications.

(b) The Borrower shall use commercially reasonable efforts to obtain financing for the balance of the costs of the Project.

(c) Upon completion of the Project, the Borrower shall request that the Lender receive from WMATA a certificate stating (i) that the Project has been completed substantially in accordance with the Plans and Specifications and in substantial compliance with all material applicable laws, ordinances, rules and regulations, (ii) the Substantial Completion Date and (iii) that all material permits then necessary for the use, occupancy and operation of the Project have been issued or obtained.

Section 4.2 Disbursement of VTIB Loan and Earnings. The Borrower shall apply the amounts solely and exclusively to the payment or reimbursement of Project Costs. The Lender shall disburse amounts to the Borrower or as directed by the Borrower upon the Lender's satisfaction of the following conditions:

(a) Receipt of a requisition (upon which the Lender shall be entitled to rely) containing all information called for by, and otherwise being in the form of, Exhibit C (including the Schedules thereto).

(b) Receipt of receipts, vouchers, statements, bills of sale or other evidence of payment of the related Project Costs.

(c) With the exception of the initial draw of the VTIB Loan at closing to pay reasonable closing costs, unless the Lender has received the following (collectively, the "Project Cost Disbursement Conditions"), all in form and substance satisfactory to the Lender, the Lender shall not disburse VTIB Loan proceeds to pay Project costs:

(1) acquisition of all land and right-of-way needed to build the Metrorail Station and related appurtenances of the Metrorail Station structure;

(2) successful execution of a Metrorail Station contract;

(3) evidence of adequate funding secured by the Borrower and available to complete construction of the Project; and

(4) satisfaction of all federal, state, and local requirements and all permits and approvals have been received needed to build the Project.

Section 4.3 VTIB's Right to Stop Disbursements.

(a) If the Project Cost Disbursement Conditions are not satisfied by December 31, 2017, it is understood that VTIB reserves the right to provide no additional funding for the Project and any amounts already drawn will be repaid by the Borrower within a period no longer than 12 months. At VTIB's sole discretion, an extension may be granted upon a showing of significant Project progress by the Borrower, which will not be unreasonably withheld.

(b) Additionally, if Substantial Completion is not achieved by December 31, 2019, it is understood that VTIB reserves the right to provide no additional funding for the Project and the last draw of the VTIB Loan will be used as the Substantial Completion Date for the purposes of repaying the VTIB Loan. At VTIB's sole discretion, an extension may be granted upon a showing of significant Project progress by the Borrower, which will not be unreasonably withheld.

Section 4.4 No Sufficiency Warranty by the Lender. The Lender makes no warranty, either express or implied, that the VTIB Loan will be sufficient to pay all or any particular portion of the costs of the Project.

Section 4.5 Final Principal Amount of the VTIB Loan. The principal amount of the VTIB Loan will be equal to the sum of the principal disbursements made pursuant to Section 4.2, but not to exceed \$50,000,000, plus the amount of interest capitalized pursuant to Section 6.2.

ARTICLE V

PLEDGE AND SECURITY

Section 5.1 Pledge of Tier I Special Assessment Tax District Revenues. The Borrower hereby pledges the Tier I Special Assessment Tax District Revenues to secure the payment of the principal of and premium, if any, and interest on the Bond and the payment and performance of the Borrower's obligations under this Agreement. This pledge shall be valid and binding from and after the Closing Date. The Tier I Special Assessment Tax District Revenues, as received by the Borrower, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. Except as stated in this Agreement, the lien of this pledge shall have priority over all other obligations and liabilities of the Borrower payable from Tier I Special Assessment Tax District Revenues, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Borrower regardless of whether such parties have notice of this pledge. Until the occurrence and continuation of an Event of Default, the Borrower may, after the application each month of Tier I Special Assessment Tax District Revenues to the payment of the Operation and Maintenance Expenses and debt service on the Bond, any other Parity Debt and any other payments required under this Agreement (including mandatory prepayments of the Bond), use the Tier I Special Assessment Tax District

Revenues for any lawful purpose, subject to the limitations on the use of Net Annual Potomac Yard Revenues set forth in Section 7.12.

Section 5.2 Moral Obligation Pledge. (a) For each Fiscal Year during the term of the Bond and this Agreement, the City Manager shall include as a separate line item in each annual budget of revenues and disbursements presented to the City Council an item designated "VTIB Loan" in an amount sufficient, in the judgment of the City Manager, to make all of the payments of debt service on the Bond and pay all other amounts payable by the Borrower under this Agreement during such Fiscal Year that are not expected to be made from Tier I Special Assessment Tax District Revenues (the "Annual Deficiency Amount").

(b) If at any time Tier I Special Assessment Tax District Revenues are insufficient to make (i) a scheduled debt service payment on the Bond (not including any Mandatory Prepayments) or (ii) any other payment required under this Agreement (not including any payment, Mandatory Prepayment or otherwise, on the Bond), the Borrower shall notify the Lender of the amount of such insufficiency and the City Manager shall request a supplemental appropriation from the City Council in the amount necessary to make such payment.

(c) The City Manager shall present each request for appropriation pursuant to paragraph (b) above to the City Council, and the City Council shall consider such request at the Board'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 the Lender as to whether the amount so requested was appropriated. If the City 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 Borrower by the City Manager for the Borrower's next Fiscal Year.

(d) The City Council hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs (a), (b) and (c) in this Section 5.2, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The City 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 City Councils do likewise.

Section 5.3 Release of Moral Obligation Pledge. Notwithstanding the Borrower's covenants and moral obligation pledge set forth in Section 5.2, such covenants and pledge shall not apply to the Borrower if the Moral Obligation Release Condition has been satisfied and for so long as the Borrower complies with the following covenants (i) the real estate tax rates applied within the Potomac Yard Assessment District are not less than the real estate tax rates applied within the Potomac Yard Assessment District during the second Fiscal Year during which the Initial Moral Obligation Release Condition is being measured, (ii) the landbays within Potomac Yard Assessment District are unmodified from the landbays existing on the Closing Date and (iii) the Borrower has adopted a budget that includes a VTIB Loan Debt Service Coverage Ratio of at least 1.25:1.00 (each a "Moral Obligation Release Covenant").

Accordingly, if the Borrower fails to comply with a Moral Obligation Release Covenant after the Moral Obligation Release Condition has been satisfied, the covenants and moral obligation pledge set forth in Section 5.2 apply to the Borrower until the Borrower satisfies the Moral Obligation Release Condition in a future period and otherwise complies with the Moral Obligation Release Covenants.

ARTICLE VI

PAYMENT, TERM AND PREPAYMENT OF BOND

Section 6.1 Payment of Bond and Related Amounts. (a) Until the principal of and premium, if any, and interest on the Bond and all other amounts payable under this Agreement have been paid in full, the Borrower shall pay the Lender the following amounts:

(1) the amounts required by the Bond on such dates and in such manner as provided for in the Bond;

(2) Mandatory Prepayments on the Bond on such dates and in such amounts as provided for in Section 6.5;

(3) to the Lender on its demand, a late payment penalty in an amount equal to 5.0% of the payment on the Bond not paid within 10 days after its due date; and

(4) to the Lender the reasonable costs and expenses, including reasonable attorneys' fees, if any, incurred by the Lender in connection with (i) an Event of Default or default by the Borrower under this Agreement (ii) any amendment to or discretionary action that the Lender undertakes at the request of the Borrower under this Agreement, any other document related to the Bond or (iii) any claim, lawsuit or other challenge to the Bond or this Agreement that arises, at least in part, out of the Borrower's authorization of its issuance of the Bond, and the Borrower shall pay such amounts no later than 15 days after the Lender sends to the Borrower a written bill for them.

Section 6.2 Capitalized Interest and Debt Service Ramp-Up Periods. (a) During the Capitalized Interest Period, no VTIB Loan payments will be due other than Mandatory Prepayments. During the Capitalized Interest Period, unpaid interest will accrue and be added to the principal amount of the loan semi-annually on each ____ and ____.

(b) During the Debt Service Ramp-Up Period, on each ____ and ____, the Borrower shall pay \$50,000 plus accrued interest (other than interest capitalized pursuant to subsection 6.2(a)) and any Mandatory Prepayments that are payable.

Section 6.3 Annual Debt Service. After the expiration of the Debt Service Ramp-Up Period, the Lender shall determine the principal amount of the VTIB Loan outstanding and shall amortize the outstanding principal amount to the Maturity Date such that scheduled debt service on the Bond is substantially equal for each Fiscal Year ("Annual Debt Service"). Annual Debt Service will be reamortized upon a Mandatory Prepayment as provided in Section 6.5(a)(3).

Section 6.4 Optional Prepayment of the Bond. The VTIB Loan may be prepaid in whole or in part at any time with no penalty after the Substantial Completion Date.

Section 6.5 Mandatory Prepayment of the Bond. The Borrower shall make a mandatory prepayment (each a "Mandatory Prepayment") on the Bond upon each occurrence of the following situations.

(a) (1) After the Substantial Completion Date, if in any Fiscal Year Net Annual Potomac Yard Revenues exceed \$10 million, the Borrower shall make a prepayment on the VTIB Loan in an amount equal to 25% of the amount by which Net Annual Potomac Yard Revenues exceed \$10 million.

(2) Any Mandatory Prepayment made under this subsection (a) shall be made within 60 days after completion of the Borrower's audited financial statements and the final calculation of Net Annual Potomac Yard Revenues.

(3) Each Mandatory Prepayment made under this subsection (a) prior to the initial satisfaction of the Moral Obligation Release Condition, such Mandatory Prepayment amount will be applied evenly to reduce Annual Debt Service and will result in a reamortization of the VTIB Loan.

(4) Each Mandatory Prepayment made under this subsection (a) after the initial satisfaction of the Moral Obligation Release Condition, such Mandatory Prepayment amount will be applied to outstanding principal in inverse order of maturity in order to shorten the final maturity of the VTIB Loan.

(b) (1) If the Borrower prepays any of its other debt issued to finance the costs of the Project other than described in subpart (2) below, the Borrower shall (i) obtain the consent of the Lender, which consent will not be unreasonably withheld, conditioned or delayed and (ii) make a corresponding Mandatory Prepayment to the Lender in an amount equal to the Proportional Prepayment Amount within 60 days of the prepayment of the other debt.

(2) Notwithstanding the preceding sentence, the Lender's consent will not be required for the Borrower's prepayment of its other debt issued to finance the costs of the Project that is refunded for cost savings and does not increase annual debt service of the Borrower for any Fiscal Year in which the VTIB Loan is outstanding.

(3) Attached as Exhibit F are examples of determining the Proportional Prepayment Amount.

Section 6.6 Obligations Absolute and Unconditional. The obligation of the Borrower to make the payments required by the Bond or this Agreement (or both) from the sources pledged therefor shall be absolute and unconditional. The Borrower shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Borrower may have or assert against the Lender or any other person.

ARTICLE VII

SPECIAL COVENANTS

Section 7.1 Maintenance of Existence. The Borrower shall maintain its existence as a municipal corporation of the Commonwealth of Virginia under Virginia law, and shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity without the Lender's prior written consent, which consent will not be unreasonably withheld.

Section 7.2 Financial Records and Statements. The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. The Borrower shall have an annual audit of the financial condition of the Borrower made by an independent certified public accountant, within 270 days after the end of each Fiscal Year. The Borrower shall furnish to the Lender, in an electronic format, a copy of such report immediately after it is accepted by the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the Borrower's operations and changes in the financial position thereof for the Fiscal Year.

Section 7.3 Additional Parity Debt and the Plan of Finance. (a) The Borrower shall not incur additional debt secured by a specific pledge of Tier I Special Assessment Tax District Revenues without the prior written consent of the Lender, which may be withheld in the Lender's sole and absolute discretion.

(b) The Borrower shall not materially change and shall use its best efforts to prevent a material change to the general plan of finance to construct the Project from the general plan of finance related to the contemplated build scenarios presented within the Borrower's VTIB application, including amortization of debt service, without the consent of the Lender, which consent will not be unreasonably withheld, conditioned or delayed.

Section 7.4 Further Assurances. The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights and collateral, if any, assigned or pledged by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledges made under this Agreement and all rights of the Lender under this Agreement against all claims and demands of all persons, including without limitation the payment of certain costs of the Lender as described in Section 6.1(a)(4).

Section 7.5 Assignment by Borrower. The Borrower shall not assign its rights and obligations under the Bond or this Agreement, or both, without the prior written consent of the Lender.

Section 7.6 Insurance. The Borrower shall use reasonable efforts to get WMATA to insure the Project to protect against hazards and to have the Project rebuilt in the event of a casualty.

Section 7.7 Other Indebtedness. The Borrower shall pay when due all amounts required by any other indebtedness of the Borrower and perform all of its obligations in connection with all other indebtedness of the Borrower.

Section 7.8 Litigation; Material Change. The Borrower shall promptly notify the Lender of (i) the existence and status of any litigation that City Attorney or general counsel to the Borrower determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a material adverse effect on the financial condition or operations of the Borrower or its ability to perform its payment and other obligations under this Agreement or the Bond or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

Section 7.9 No Impairment of Lien. The Borrower shall not knowingly or intentionally take any action or fail to take any action that will repeal, amend or impair in any respect the liens created by this Agreement.

Section 7.10 No Adjustment to Potomac Yard Assessment District. The Borrower shall not adjust the boundaries of the Potomac Yard Assessment District in such a manner that would have a material adverse impact on the expected Tier I Special Assessment Tax District Revenues.

Section 7.11 Collection of Tier I Special Assessment Tax District Revenues. The Borrower shall enforce its right to collect Tier I Special Assessment Tax District Revenues by promptly pursuing or causing to be pursued all remedies available to it under applicable law.

Section 7.12 Use of Net Annual Potomac Yard Revenues. The Mandatory Prepayment requirement set forth in Section 6.5(a) does not limit the Borrower's use of Net Annual Potomac Yard Revenues; provided that the Borrower's use of such revenues does not materially and adversely impact the Mandatory Prepayment calculation or the City's ability to make the Mandatory Prepayment in a given year, exclusive of unforeseen and uncontrollable circumstances, without the consent of the Lender, which will not be unreasonably withheld.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1 Events of Default. Each of the following events is an "Event of Default":

(a) The failure to pay any installment of principal of or premium, if any, on the Bond when due (whether at maturity, by mandatory or optional redemption, by acceleration or otherwise).

(b) The failure to pay any installment of interest on the Bond when due.

(c) The failure to make any other payment or deposit required by this Agreement within 15 days after its due date.

(d) The Borrower's failure to perform or observe any of the other covenants, agreements or conditions of the Bond or this Agreement and the continuation of such failure for a period of 60 days after written notice specifying such failure and requesting that it be cured is given to the Borrower by the Lender, or, in the case of any such failure which cannot with diligence be cured within such 60-day period, the Borrower's failure to proceed promptly to commence to cure the failure and thereafter to prosecute the curing of the failure with diligence.

(e) Any warranty, representation or other statement by or on behalf of the Borrower contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Bond is false and misleading in any material respect.

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Borrower under any federal or state bankruptcy or insolvency law and, if instituted against the Borrower, is not dismissed within 60 days after filing.

(g) Any proceeding shall be instituted, with the Borrower's consent or acquiescence, for the purpose of effecting a composition between the Borrower and its creditors or for the purpose of adjusting such creditors' claims under any federal or state statute now or hereafter enacted, if such claims are under any circumstances payable from the Tier I Special Assessment Tax District Revenues.

(h) An order or decree shall be entered, with the Borrower's consent or acquiescence, appointing a receiver or receivers of the Project or any part of it or of the Tier I Special Assessment Tax District Revenues, or if such order or decree, having been entered without the Borrower's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within 60 days after its entry.

(i) The occurrence of a default by the Borrower under the terms of any debt secured by a pledge of Tier I Special Assessment Tax District Revenues and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder.

Section 8.2 Acceleration. Upon the occurrence and continuation of an Event of Default, the Lender may, by notice in writing delivered to the Borrower, declare the entire unpaid principal of and interest on the Bond due and payable. Upon any such declaration, the Borrower shall immediately pay to the Lender the entire unpaid principal of and accrued interest on the Bond, but only from the collateral and other funds specifically pledged hereby. The Lender may in its discretion waive an Event of Default and its consequences and rescind any acceleration of maturity of principal of and interest on the Bond.

Section 8.3 Other Remedies. Upon the occurrence and continuation of an Event of Default, the Lender may proceed to protect and enforce its rights by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement contained in the Bond or this Agreement. No remedy conferred by this Agreement upon or reserved to the registered owners of the Bond is intended to be exclusive of any other remedy, but each such

remedy shall be cumulative and shall be in addition to any other remedy given to the Lender under this Agreement or now or hereafter existing at law or in equity or by statute.

Section 8.4 Delay and Waiver. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence in it, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Agreement shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent to it.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.2 Amendments. The Lender and the Borrower shall have the right to amend from time to time any of this Agreement's terms and conditions, provided that all amendments shall be in writing and shall be signed by or on behalf of the Lender and the Borrower.

Section 9.3 Limitation of Borrower's Liability. Notwithstanding anything in the Bond or this Agreement to the contrary, the Borrower's obligations hereunder and under the Bond are not its general obligations, but are limited obligations payable solely from the Tier I Special Assessment Tax District Revenues and any other collateral specifically pledged in favor of the Lender. Neither the Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Borrower, and the Borrower shall not be obligated to pay the principal of or premium, if any, or interest on the Bond or other costs incident to them except from the Tier I Special Assessment Tax District Revenues and other funds pledged for such purpose. In the absence of fraud or intentional misconduct, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally to the Lender in respect of this Agreement or the Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Bond.

Section 9.4 Applicable Law. This Agreement shall be governed by Virginia law.

Section 9.5 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Lender and the Borrower, as the case may be, only to the extent permitted by law.

Section 9.6 Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Bond or this

Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Borrower, at City of Alexandria - Finance Department, 301 King Street, Alexandria, Virginia 22314; or (b) if to the Lender, at 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director (with a copy to the Virginia Department of Transportation, 1401 East Broad Street, Richmond, Virginia 23219, Attention: Financial Planning Division). A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Lender and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 9.7 Right to Cure Default. If the Borrower fails to make any payment or to perform any act required by it under the Bond or this Agreement, or the Lender, without prior notice to or demand upon the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Lender and all costs, fees and expenses so incurred shall be payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the rate of 15% per year until paid. The Borrower's obligation under this Section shall survive the payment of the Bond.

Section 9.8 Term of Agreement. This Agreement is effective as of the Closing Date. Except as otherwise specified, the Borrower's obligations under the Bond and this Agreement shall expire upon payment in full of the Bond and all other amounts payable by the Borrower under this Agreement.

Section 9.9 Counterparts. This 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.

[Signature Pages Follow]

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as
Manager of the VIRGINIA
TRANSPORTATION INFRASTRUCTURE
BANK**

By: _____
Stephanie L. Hamlett

CITY OF ALEXANDRIA, VIRGINIA

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Office of the City Attorney for the
City of Alexandria, Virginia

EXHIBIT A

FORM OF BOND

[To be provided by Bond Counsel]

EXHIBIT B

**PENDING OR THREATENED ACTIONS, SUITS, PROCEEDINGS, OR
INVESTIGATIONS**

[To be provided by Counsel for the Borrower]

EXHIBIT C
FORM OF REQUISITION

Requisition No.

Date:

Virginia Resources Authority, as manager of VTIB
1111 East Main Street
Suite 1920
Richmond, Virginia 23219
Attention: Executive Director

This Requisition, including Schedule 1 and Schedule 2 hereto, is submitted in connection with the Financing Agreement dated as of _____, 20____ (the "Financing Agreement") between the Virginia Resources Authority, as manager of the Virginia Transportation Infrastructure Bank, and the City of Alexandria, Virginia (the "Borrower"). Unless otherwise defined in this Requisition, each capitalized term used herein has the meaning given it under Article I of the Financing Agreement. The undersigned Borrower Representative hereby requests payment of the following amounts.

Payee:

Address:

Amount to be Paid:

Purpose (in reasonable detail) for which obligations(s) to be paid were incurred:

Attached on Schedule 2 are the wire instructions for this requisition, and also attached hereto is an invoice (or invoices) relating to the items for which payment is requested.

The undersigned certifies that to the knowledge of the Borrower (i) the amounts requested by this Requisition will be applied solely and exclusively to the payment, or the reimbursement of Project Costs of the construction portion of the Project, (ii) no notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable under the Requisition to any of the persons, firms or corporations named in it has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of the Requisition, and (iii) this Requisition contains no items representing payment on account of any retained percentage entitled to be retained at this date.

Borrower Representative

WMATA Representative

SCHEDULE 1

Form to Accompany Requisition

Requisition # _____
Recipient: _____
Title: _____
Date: _____

<u>Cost Category</u>	<u>Total Project Cost</u>	<u>Previous Disbursements</u>	<u>Disbursement This Period</u>	<u>Disbursements to Date</u>	<u>Remaining Balance</u>
	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$

SCHEDULE 2

Wire Instructions for Requisition

[To be provided by the Borrower/WMATA]

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE BORROWER

[Print on the Letterhead of Counsel for the Borrower]

_____, 2016

City Council
City of Alexandria, Virginia

Virginia Resources Authority
Richmond, Virginia

\$ _____
City of Alexandria, Virginia
Tax Revenue Bond
Series 20__

Ladies and Gentlemen:

I have acted as counsel to the City of Alexandria, Virginia (the "Borrower"), in connection with the issuance and sale by the Borrower of its \$_____ Tax Revenue Bond, Series 20__ (the "Bond"), the net proceeds of which will be applied to finance the Project (as defined in the hereafter defined Financing Agreement) and in such capacity, I have examined, among other things, the following documents:

- (a) a certified copy of the Borrower's Authorization (as defined in the Financing Agreement), authorizing the issuance of the Bond to Virginia Resources Authority, as the manager of the Virginia Transportation Infrastructure Bank, to finance the Project;
- (b) a copy of the Financing Agreement (the "Financing Agreement") dated as of _____, 2016, and between the Borrower and the Virginia Resources Authority, as manager of the Virginia Transportation Infrastructure Bank; and
- (c) a copy of the Bond.

The documents referred to in clauses (b) and (c) above are referred to collectively as the "Bond Documents."

I have also examined such other records and proceedings of the Borrower and conducted such investigations as I deemed appropriate and necessary for purposes of this opinion.

Unless otherwise defined, each capitalized term used in this opinion has the same meaning given to such term in the Financing Agreement.

As to questions of fact material to the opinions and statements set forth herein, I have relied upon representations of the Borrower set forth in the Bond Documents and other certificates and representations by persons including representatives of the Borrower. Whenever an opinion or statement set forth herein with respect to the existence or absence of facts is qualified by the phrase "to the best of my knowledge" or a phrase of similar import, it is intended to indicate that during the course of my representation of the Borrower in connection with the Bond Documents no information has come to my attention that should give me current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, I have not undertaken any independent investigation of the existence or absence of such facts, and no inference as to my knowledge or the existence or absence of such facts should be drawn from the fact of my representation or any other matter.

Based upon such examination and assuming the authorization, execution, delivery and enforceability of all documents by parties other than the Borrower, I am of the opinion that:

1. The Borrower is a duly created and validly existing municipal corporation and political subdivision of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.
2. The Borrower has full right, power and authority to (i) adopt the Borrower's Authorization and execute and deliver the Bond Documents and all related documents and (ii) carry out and consummate all of the transactions contemplated by the Borrower's Authorization and the Bond Documents.
3. The Bond Documents were duly authorized by the Borrower's Authorization.
4. The Financing Agreement has been executed and delivered by a duly authorized official of the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms. The Bond has been executed and delivered by duly authorized officials of the Borrower and constitutes a legal, valid and binding limited obligation of the Borrower enforceable against the Borrower in accordance with its terms.

The obligations of the Borrower under the Financing Agreement and the Bond, and the enforceability of such obligations, may be limited or otherwise affected by (i) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (ii) principles of equity, whether considered at law or in equity, (iii) the exercise of sovereign police powers of the Commonwealth of Virginia, and (iv) rules of law which may limit the enforceability on public policy grounds of any obligations of indemnification undertaken by the Borrower.

5. The issuance of the Bond and the execution and delivery of the Bond Documents and the performance by the Borrower of its obligations thereunder are within the powers of the Borrower and will not conflict with, or constitute a breach or result in a violation of (i) any federal or Virginia constitutional or statutory provision, (ii) to the best of my knowledge, any agreement or other instrument to which the Borrower is a party or by which it is bound or (iii)

any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

6. The Borrower, to the best of my knowledge, is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. To the best of my knowledge, no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Financing Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

7. The Borrower (i) to the best of my knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bond or the Bond Documents and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Borrower is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Bond and the Bond Documents. The execution and delivery by the Borrower of the Bond and the Bond Documents and the compliance with the terms and conditions thereof will not conflict with, result in a breach of or constitute a default under any of the foregoing.

8. Except as set forth in the Financing Agreement, there are not pending nor, to the best of my knowledge, threatened against the Borrower, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Borrower's Authorization or the Bond Documents or the issuance or delivery of the Bond, (iii) in any way contesting or affecting the validity or enforceability of the Bond, the Borrower's Authorization, the Bond Documents or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Borrower or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Borrower's Authorization, the Bond Documents or the Bond, or (v) affecting the Project.

Very truly yours,

EXHIBIT E

**POTOMAC YARD METRORAIL STATION FINANCIAL FEASIBILITY ANALYSIS
UPDATE**

[To be provided]

EXHIBIT F

PROPORTIONAL PREPAYMENT AMOUNT CALCULATION EXAMPLES

[to be attached]