

October 25, 2018

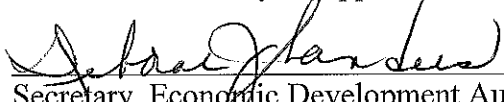
County Board of Supervisors
9104 Courthouse Road
Spotsylvania, Virginia 22553

**Economic Development Authority of the County of Spotsylvania, Virginia
Proposed Financing for BWF Palmers Creek, LLC**

BWF Palmers Creek, LLC, a Virginia limited liability company (the "Borrower"), has requested that the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority"), issue up to \$22,000,000 of its revenue bonds (the "Bonds") to assist the Borrower in financing and refinancing certain costs of the acquisition, construction and equipping of a multifamily residential rental housing project to be known as Palmers Creek Apartments (the "Project"), consisting of two four-story buildings containing approximately 200 residential units, one community building and one office located on approximately 9.53 acres of land at 8934 Jefferson Davis Highway, Fredericksburg (Spotsylvania County), Virginia 22408.

As set forth in the resolution of the Authority attached hereto (the "Resolution"), the Authority has agreed to issue the Bonds as requested. The Authority has conducted a public hearing (the "Public Hearing") on the proposed financing of the Project and has recommended that you approve the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code").

Attached hereto is (1) a certificate evidencing the conduct of the public hearing and the action taken by the Authority, including a summary of the comments expressed at the public hearing, (2) the fiscal impact statement required pursuant to Virginia Code Section 15.2-4907 and (3) the form of resolution suggested by counsel to evidence your approval.


Secretary, Economic Development Authority of
the County of Spotsylvania, Virginia

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority") certifies as follows:

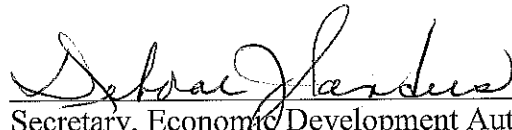
1. A meeting of the Board of Commissioners of the Authority (the "Board") was duly called and held at 8:00 o'clock a.m. on October 25, 2018 before the Authority at the Authority's offices located at 9019 Old Battlefield Boulevard, Suite 310, Spotsylvania, Virginia 22553, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman of the Board announced the commencement of a public hearing on the application of BWF Palmers Creek, LLC, and a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in the County of Spotsylvania, Virginia (the "Notice"), with the second publication appearing not less than seven days nor more than twenty-one days prior to the hearing date. A copy of the Notice has been filed with the records of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of a resolution ("Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to the matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, this 25th day of October, 2018.


Secretary, Economic Development Authority of
the County of Spotsylvania, Virginia

[SEAL]

Exhibits:

A – Copy of Certified Notice of Public Hearing

B – Summary of Statements

C - Resolution

EXHIBIT A

CERTIFIED NOTICE OF PUBLIC HEARING

[To be attached]

The Free Lance-Star

Advertising Affidavit

THE FREE LANCE-STAR
1340 Central Park Blvd
Suite 100
Fredericksburg, Va 22401

Account Number

6072214

Date

October 18, 2018

MCGUIREWOODS, LLP
1750 TYSONS BLVD.
SUITE 1800
MC LEAN, VA 22102-4215

Date	Category	Description	Ad Size	Total Cost
10/18/2018	Meetings and Events	NOTICE OF PUBLIC HEARING BEFORE THE ECONOMIC DEVI	2 x 36 L	725.00

**NOTICE OF PUBLIC HEARING BEFORE THE
ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA
ON PROPOSED PRIVATE ACTIVITY BOND FINANCING FOR
BWF PALMERS CREEK, LLC**

Notice is hereby given that the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority"), whose address is 9019 Old Battlefield Boulevard, Suite 310, Spotsylvania, Virginia 22553, will hold a public hearing on the request of BWF Palmers Creek, LLC, a Virginia limited liability company (the "Borrower"), whose address is 2700 South Quincey Street, Suite 500, Arlington, Virginia 22206, for the issuance by the Authority of up to \$22,000,000 of its revenue bonds to finance or refinance a portion of the cost of acquiring, constructing and equipping a multifamily residential rental housing project to be known as Palmers Creek Apartments (the "Project"), consisting of two four-story buildings containing approximately 200 residential units, one community building and one office located on approximately 9.53 acres of land at 8934 Jefferson Davis Highway, Fredericksburg (Spotsylvania County), Virginia 22408. The Project will meet the requirements of a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended. The Project will be owned by the Borrower or an entity affiliated with and controlled by or under common ownership with the Borrower. The public hearing, which may be continued or adjourned, will be held at 8:00 a.m. on October 25, 2018 before the Authority at the Authority's offices located at 9019 Old Battlefield Boulevard, Suite 310, Spotsylvania, Virginia 22553.

The proposed private activity bonds will not pledge the credit or the taxing power of the Commonwealth of Virginia, Spotsylvania County, Virginia or the Authority but will be payable solely from the revenues derived from the Borrower and pledged therefor.

The public hearing will provide an opportunity for interested persons to be heard and communications and writings to be received and considered. The hearing shall provide the fullest opportunity for the expression of opinion, for argument on the merits, and for the introduction of documentary evidence pertinent to the issuance of the proposed private activity bonds.
ECONOMIC DEVELOPMENT AUTHORITY OF THE
COUNTY OF SPOTSYLVANIA, VIRGINIA

Proof of Publication

I hereby certify that the attached notice was published in
The Free Lance-Star, a newspaper published daily in
Fredericksburg, Va. on the following date(s):

10/11, 10/18/2018

Listed additionally on-line @ Fredericksburg.com

Newspaper reference: 0000836007

Stacy Chambers
Publisher, Supervisor or Accounting Assistant

Sworn to and subscribed before me this

18th Day of October 2018

Lori Lynne Hertz
Notary Public



State of Virginia
County/City

FREDERICKSBURG

My Commission expires

9.30.22

EXHIBIT B

SUMMARY OF STATEMENTS

Representatives of BWF Palmers Creek, LLC and McGuireWoods LLP, bond counsel, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

EXHIBIT C

INDUCEMENT RESOLUTION

RESOLUTION OF
THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA,
VIRGINIA AUTHORIZING THE ISSUANCE OF UP TO \$22,000,000 REVENUE BONDS
FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE
APPROXIMATELY 200-UNIT PALMERS CREEK APARTMENTS MULTIFAMILY
HOUSING FACILITY LOCATED IN SPOTSYLVANIA COUNTY, VIRGINIA

WHEREAS, the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act") empowers industrial development authorities such as the Economic Development Authority of the County of Spotsylvania, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority") created by municipalities whose housing authorities have not been activated pursuant to the Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the "Virginia Code") to issue bonds to make loans for the purpose of financing certain facilities used primarily for single and multifamily residences in order to promote safe and affordable housing in the Commonwealth of Virginia (the "Commonwealth") and to benefit thereby the safety, health, welfare and prosperity of the inhabitants of the Commonwealth; and

WHEREAS, the Authority has received a request from BWF Palmers Creek, LLC, a Virginia limited liability company (the "Borrower"), requesting that the Authority issue its revenue bonds to assist the Borrower in (a) financing and refinancing certain of the costs of the acquisition, construction and equipping of a multifamily residential rental housing facility (the "Facility") to be known as Palmers Creek Apartments to be owned by the Borrower, consisting of two four-story buildings containing approximately 200 residential units, one community building and one office located on approximately 9.53 acres of land at 8934 Jefferson Davis Highway, Fredericksburg (Spotsylvania County), Virginia 22408 and (b) financing costs of issuance, funding of any required reserves and other financeable expenditures (collectively, the "Project"); and

WHEREAS, such assistance will induce the Borrower to construct and maintain the Project in Virginia and benefit the inhabitants of the County of Spotsylvania, Virginia (the "County") and the Commonwealth through the promotion of their safety, health, welfare, convenience or prosperity; and

WHEREAS, preliminary plans for the Project have been described to the Authority and, on October 25, 2018, a public hearing has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 15.2-4906 of the Act; and

WHEREAS, the Borrower has represented that the estimated cost of the Project, including all expenses of issue, will require an issue of revenue bonds in the aggregate principal amount not to exceed \$22,000,000 (the "Bonds"); and

WHEREAS, (a) no member of the Board of Directors of the Authority (the "Board") is an officer or employee of the County, (b) each member of the Board has, before entering upon his or her duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Virginia Code, and (c) at the time of their appointments and at

all times thereafter, including the date hereof, all of the members of the Board have satisfied the residency requirements of the Act; and

WHEREAS, no member of the Board has any personal interest or business interest in the Borrower, the Bonds or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the State and Local Government Conflict of Interests Act, Chapter 31, Title 2.2 of the Virginia Code in connection with this resolution or any other official action of the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA:

1. It is hereby found and determined that the financing of the Project will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth, the County and their citizens.

2. To induce the Borrower to construct and maintain the Facility in the Commonwealth, and particularly in the County, the Authority hereby agrees to assist the Borrower in financing the Project, including the financing of reserve funds and costs of issuance of the Bonds as permitted by applicable law, by undertaking the issuance of it's the Bonds in a principal amount not to exceed \$22,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the financing of the Project, the Authority agrees that the Borrower may proceed with plans for the Project, enter into contracts for land, construction, materials and equipment for the Project, and take such other steps as it may deem appropriate in connection with the Project, provided, however, that nothing in this resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. At the request of the Borrower, the Authority approves McGuireWoods LLP, Tysons, Virginia as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds.

5. All costs and expenses in connection with the financing of the Project, including the fees and expenses of the Authority, Bond Counsel and counsel to the Authority, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

6. In adopting this resolution the Authority intends to take "official action" toward the issuance of the Bonds and to evidence its "official intent" to reimburse from the proceeds of the Bonds any expenditures paid by the Borrower to finance the Project before the issuance of the

Bonds, all within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code.

7. The Authority recommends that the Board of Supervisors of the County approve the issuance of the Bonds.

8. Each of the Chair, the Vice Chair, the Treasurer and the Secretary of the Authority, any of whom may act alone, is hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

9. No Bonds may be issued pursuant to this resolution until such time as (a) the issuance of the Bonds has been approved by the Board of Supervisors of the County, (b) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder and (c) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority.

10. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower. The issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth or the County, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision of the Commonwealth, including the County, will be pledged to the payment of such Bonds. Neither the County nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from revenues and money pledged therefor.

11. Any obligation of the Authority to exercise its powers to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements, and the Authority (including its officers, directors, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason, including but not limited to, the failure of the Board of Supervisors of the County to approve the issuance of the Bonds. Neither the directors, officers, agents or employees of the Authority, past, present and future shall be personally liable on the Bonds.

12. The Borrower agrees to indemnify and save harmless the Authority and its officers, directors, employees and agents (hereinafter the "Indemnitees") jointly and severally from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses (hereinafter referred to as "Damages"), including but not limited to the following:

- (a) all amounts paid in settlement of any litigation commenced or threatened against any of the Indemnitees, if such settlement is effected with the written consent of the Borrower;

- (b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Borrower, the Project or any of the Indemnitees;
- (c) Any judgments, penalties, fines, damages, assessments, indemnities or contributions; and
- (d) The reasonable fees of legal counsel, auditors, and consultants;

provided that the Damages arise out of:

- (i) failure by the Borrower, or its officers or agents, to comply with the terms of the documents related to the Bonds and any agreements, covenants, obligations or prohibitions set forth therein;
- (ii) any action, suit, claim or demand contesting or affecting the title of the Project;
- (iii) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Project;
- (iv) any breach of any representation or warranty set forth in the documents related to the Bonds or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Borrower contains or contained any untrue or misleading statement or omits or omitted to state any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made; or
- (iv) any suit, action, administrative proceeding, enforcement action or governmental or private action of any kind whatsoever commenced against the Borrower, the Project or any of the Indemnitees which might adversely affect the validity or enforceability of the Bonds, the documents related to the Bonds or the performance by the Borrower or any Indemnatee of any of their respective obligations thereunder.


13. The Borrower has represented to the Authority that the Borrower will pay to the Authority an origination fee equal to equal to the sum of the following (in each case expressed as a percentage of the original maximum stated principal amount of the Bonds (the "Original Principal")) payable on the date of issuance of the Bonds: (i) one percent (1.00%) of the Original Principal up to and including one million dollars (\$1,000,000), (ii) plus three fourths of one percent (0.75%) of the Original Principal in excess of one million dollars (\$1,000,000) up to and including five million dollars (\$5,000,000), (iii) plus one half of one percent (0.50%) of the Original Principal in excess of five million dollars (\$5,000,000).

14. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority") certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on October 25, 2018, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on this date.

WITNESS the following signature and seal of the Authority, this 25th day of October, 2018.


Secretary of the Economic Development Authority
of the County of Spotsylvania, Virginia

[SEAL]

FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING

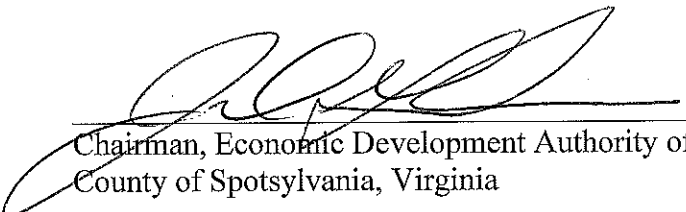
Date: October 25, 2018

To the County Board of Supervisors
of the County of Spotsylvania, Virginia

Applicant: BWF Palmers Creek, LLC

Facility: Multifamily Housing Facility known as Palmers Creek Apartments

1.	Maximum amount of financing sought.	\$	22,000,000.00
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$	21,600,000.00
3.	Estimated real property tax per year using present tax rates.	\$	179,929.00
4.	Estimated personal property tax per year using present tax rates.	\$	N/A
5.	Estimated merchants' capital tax per year using present tax rates.	\$	N/A
6.	(a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality.	\$	148,985.00
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$	0.00
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$	148,946.00
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$	0.00
7.	Estimated number of regular employees on year round basis.		4
8.	Average annual salary per employee.	\$	\$41,600.00


Chairman, Economic Development Authority of the
County of Spotsylvania, Virginia

RESOLUTION APPROVING THE ISSUANCE BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 200 UNIT PALMERS CREEK APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF SPOTSYLVANIA, VIRGINIA

WHEREAS, the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority") is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has considered the application of BWF Palmers Creek, LLC, a Virginia limited liability company (the "Borrower"), requesting that the Authority issue up to \$22,000,000 of its revenue bonds (the "Bonds") to assist the Borrower in financing the acquisition, construction and equipping of a multifamily residential rental housing project to be known as Palmers Creek Apartments, consisting of two four-story buildings containing approximately 200 residential units, one community building and one office located on approximately 9.53 acres of land at 8934 Jefferson Davis Highway, Fredericksburg (Spotsylvania County), Virginia 22408 and other eligible expenses (collectively, the "Project") and has held a public hearing in connection therewith on October 25, 2018; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds must approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the County of Spotsylvania, Virginia (the "County"); and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representative, the County constitutes the next highest governmental unit with such a representative, and the members of the Board of Supervisors of the County (the "Board") constitute the applicable elected representatives of the County; and

WHEREAS, the Authority has previously held a public hearing regarding the Project and adopted a resolution authorizing in principle the issuance of the Bonds; and

WHEREAS, the Authority has recommended that the Board approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution authorizing the issuance of the Bonds, subject to the terms to be agreed upon, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code and a certificate of the public hearing have been filed with the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA THAT:

1. The Board approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code, Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code") to permit the Authority to assist in the financing of the Project.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

3. The Bonds shall provide that neither the Commonwealth of Virginia nor the County nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged thereto and that neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor the County or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. In adopting this resolution, the County, including its elected representatives, officers, employees and agents, shall not be liable for, and hereby disclaim all liability for, any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

5. This resolution shall take effect immediately upon its adoption.

Adopted by the Board of Supervisors of the County of Spotsylvania, Virginia this _____ day of _____, 2018.

CERTIFICATE

Record of the roll-call vote by the Board of Supervisors of the County of Spotsylvania, Virginia, (the "Board") upon reading on a resolution titled "**RESOLUTION APPROVING THE ISSUANCE BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 200 UNIT PALMERS CREEK APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF SPOTSYLVANIA, VIRGINIA,**" taken at a meeting of the Board held on _____, 2018:

	AYE	NAY	ABSTAIN	ABSENT
Chris Yakabouski				
Kevin Marshall				
Timothy J. McLaughlin				
David Ross				
Gary F. Skinner				
Greg Benton				
Paul D. Trampe				

The undersigned Clerk of the Board of Supervisors of the County of Spotsylvania, Virginia, hereby certifies that the foregoing is a true, correct, and complete copy of a resolution adopted by the Board at its meeting duly called and held on _____, 2018, in accordance with law, and that such resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the County of Spotsylvania, Virginia this ____ day of _____, 2018.

[SEAL]

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