BOND PURCHASE AND LOAN AGREEMENT

among

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA,

STI INSTITUTIONAL & GOVERNMENT, INC., as Lender

and

WESTMINSTER-CANTERBURY OF THE BLUE RIDGE

Dated as of June 1, 2016
# TABLE OF CONTENTS

## ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

| Section 1.1 | Definitions | 1 |
| Section 1.2 | Rules of Construction | 10 |

## ARTICLE II
REPRESENTATIONS AND FINDINGS

| Section 2.1 | Representations and Findings by Authority | 11 |
| Section 2.2 | Representations by the Borrower | 12 |

## ARTICLE III
ISSUANCE OF BOND

| Section 3.1 | Sale and Purchase of Bond | 16 |
| Section 3.2 | Conditions Precedent to Delivery of Bond | 17 |

## ARTICLE IV
ADVANCE OF PROCEEDS; ESCROW FUND

| Section 4.1 | Disposition of Proceeds | 19 |
| Section 4.2 | Requisition Procedures | 21 |

## ARTICLE V
OBLIGATION

| Section 5.1 | Note as Obligation | 21 |

## ARTICLE VI
PAYMENTS

| Section 6.1 | Amounts Payable | 21 |
| Section 6.2 | Default in Payments | 22 |
| Section 6.3 | Unconditional Obligations | 22 |
| Section 6.4 | Payments Assigned | 22 |
| Section 6.5 | Yield Protection Provisions | 22 |
| Section 6.6 | Automatic Debit Authorization | 23 |

## ARTICLE VII
SPECIAL COVENANTS

| Section 7.1 | Maintenance and Modifications by the Borrower | 24 |

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| Section 11.9 | Notices | 3335 |
| Section 11.10 | Other Agreements | 3436 |
| Section 11.11 | No Advisory or Fiduciary Relationship | 3436 |
| Section 11.12 | Permission to Use Information | 3537 |
| Section 11.13 | Freedom Act Notice | 3537 |
| Section 11.14 | Waiver of Jury Trial | 3537 |
| Section 11.15 | Waiver of Damages other than Direct or Actual | 3538 |

EXHIBIT A  Bond  
EXHIBIT B  Note  
EXHIBIT C  Compliance Certificate
by contract or otherwise. The terms "Controlling", "Controlled by", and "under common Control with" have meanings correlative thereto.

"Cost of the Project" includes the following:

(a) The cost of labor, materials, machinery and equipment as payable to contractors, builders and materialmen in connection with the acquisition, construction, installation and equipping of the Project;

(b) Governmental charges levied or assessed during construction of the Project or upon any property acquired therefor, and premiums on insurance in connection with the Project during construction and installation;

(c) Fees and expenses of architects and engineers for studies, estimates, surveys and other preliminary investigations, preparation of plans, drawings and specifications and for administration and supervision of the Project, as well as for the performance of all other duties of architects and engineers in relation to the acquisition, construction and installation of the Project or the issuance of the Bond;

(d) Expenses of administration, supervision and inspection properly chargeable to the Project, legal expenses and fees of the Authority in connection with the Project and the issuance and sale of the Bond, legal expenses and fees, fees and expenses of the Lender, fees and expenses of financial advisors, brokers or placement agents in arranging for the sale or placement of the Bond, financing charges, costs of audits, cost of preparing, issuing and selling the Bond, abstracts and reports on title to real estate, title insurance premiums and all other items of expense, including those of the Authority, not elsewhere specified in this section incident to the acquisition, construction, installation, equipping and placing in operation of the Project and the issuance and sale of the Bond;

(e) Any other cost relating to the Project that is set forth in Section 15.2-4902 of the Act (other than costs of issuance for the Bond); and

(f) Reimbursement to the Borrower for any of such costs paid by it, whether before or after the execution of this Agreement, provided, however, that reimbursement for any expenditure made prior to the execution of this Agreement shall only be permitted for expenditures meeting the requirements of applicable Treasury Regulations, including, but not limited to, Treasury Regulations Section 1.150-2 or any successor Treasury Regulations

"Deed of Trust" has the meaning set forth in the Master Indenture.

"Environmental Laws" means [to be proposed by SunTrust] all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters.
"Environmental Liability" means [to be proposed by SunTrust] any liability, contingent or otherwise (including any liability for damages, costs of environmental investigation and remediation, costs of administrative oversight, fines, natural resource damages, penalties or indemnities), of the Borrower or any Affiliate directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any actual or alleged exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time, and any successor statute thereto and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a "single employer" or otherwise aggregated with the Borrower or other Member of the Obligated Group (if any) under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

"ERISA Event" means [to be proposed by SunTrust] (i) any "reportable event" as defined in Section 4043 of ERISA with respect to a Plan (other than an event as to which the PBGC has waived under subsection .22, .23, .25, .27 or .28 of PBGC Regulation Section 4043 the requirement of Section 4043(a) of ERISA that it be notified of such event); (ii) any failure to make a required contribution to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance, there being or arising any "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Section 4971 of the Code or Part 3 of Subtitle B of Title I of ERISA), whether or not waived, or any filing of any request for an automatic or minimum funding waiver under Section 412 of the Code or Section 303 of ERISA with respect to any Plan or Multiemployer Plan, or that such filing may be made, or any determination that any Plan is, or is expected to be, in at-risk status under Title IV of ERISA; (iii) any incurrence by the Borrower, any other Member of the Obligated Group (if any) or any of their respective ERISA Affiliates of any liability under Title IV of ERISA with respect to any Plan or Multiemployer Plan (other than for premiums due and not delinquent under Section 4007 of ERISA); (iv) any institution of proceedings, or the occurrence of an event or condition which would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (v) any incurrence by the Borrower, any other Member of the Obligated Group (if any) or any of their respective ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or the receipt by the Borrower, any other Member of the Obligated Group (if any) or any of their respective ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under Section 305 of ERISA; (vi) any receipt by the Borrower, any other Member of the Obligated Group (if any) or any of their respective ERISA Affiliates of any...
notice, or any receipt by any Multiemployer Plan from the Borrower, any other Member of the Obligated Group (if any) or any of their respective ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (vii) engaging in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA; or (viii) any filing of a notice of intent to terminate any Plan if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, any filing under Section 4041(c) of ERISA of a notice of intent to terminate any Plan, or the termination of any Plan under Section 4041(c) of ERISA.

"Escrow Agent" means SunTrust Bank.

"Escrow Agreement" means the Escrow Agreement dated as of June 1, 2016 among the Lender, the Borrower and the Escrow Agent.

"Escrow Fund" means the fund or account established under the Escrow Agreement.

"Event of Default" means any of the events set forth in Section 9.1.

"Event of Taxability" means (i) a Change in Law that changes the ability of the holder to exclude all or a portion of the interest on the Bond from its gross income for federal income tax purposes (but excluding changes in the marginal corporate tax rates applicable to the Lender or prior Lender), or (ii) a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that interest paid or payable on all or a portion of the Bond is or was includable in the gross income of the Lender for federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for these purposes, however, unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Lender, and until the conclusion of any appellate review, if sought.

Such an Event of Taxability shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on the effective date of any change of law that that changes the ability of the holder to exclude all or a portion of the interest on the Bond from its gross income for Federal income tax purposes;

(b) on that date when the Borrower or the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(c) on the date when the Lender or any prior Lender notifies the Borrower that it has received a written opinion by any attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within 180 days after receipt by the Borrower of such notification from such Lender or any prior Lender, the Borrower shall deliver to each Lender and prior Lender (A) a
"501(c)(3) Organization" shall mean an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Indebtedness" shall have the same meaning as set forth in the Master Indenture.

"Lender" means STI Institutional & Government, Inc., as holder of the Bond, or any subsequent holder thereof.

"Margin Rate Factor" means the fraction the numerator of which is equal to one (1) minus the Maximum Federal Corporate Tax Rate on the date of calculation and the denominator of which is 0.65. The Margin Rate Factor shall be 0.65/0.65 or 1.0 so long as the Maximum Federal Corporate Tax Rate shall be 35%, and thereafter shall increase from time to time effective as of the effective date of any decrease in the Maximum Federal Corporate Tax Rate.

"Margin Regulations" means [to be proposed by SunTrust].

"Master Indenture" means the Master Trust Indenture dated as of March 1, 2007, between the Borrower and the Master Trustee, as previously supplemented and amended and as supplemented by the Supplemental Indenture and as supplemented and amended from time to time.

"Master Trustee" means U.S. Bank National Association, as master trustee under the Master Indenture.

"Material Adverse Effect" means, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, a material adverse change in, or a material adverse effect on, (a) the business, results of operations, financial condition, assets, liabilities or prospects of the Borrower or of the Borrower and Members of the Obligated Group taken as a whole, (b) the ability of the Borrower or the Foundation to perform any of its obligations under the Financing Instruments, (c) the rights and remedies of the Lender under any of the Financing Instruments or (d) the legality, validity or enforceability of any of the Financing Instruments.
"Maximum Federal Corporate Tax Rate" shall mean the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, determined without regard to tax rate or tax benefit make-up provisions such as the last two sentences of Section 11(b)(1) of the Code, as in effect from time to time (or, if as a result of a change in the Code the rate of income taxation imposed on corporations shall not be applicable to the Lender, the maximum statutory rate of federal income taxation which could apply to the Lender). The Maximum Federal Corporate Tax Rate on the date of execution of this Agreement is 35%.

"Multiemployer Plan" shall mean any "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or may be an obligation to contribute of) the Borrower, any of its Subsidiaries or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which the Borrower, any of its Subsidiaries or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

"Net Proceeds" means the gross proceeds from any insurance recovery or condemnation award remaining after payment of attorney's fees, fees and all other expenses incurred in the collection of such gross proceeds.

"Note" means the promissory note issued by the Borrower pursuant to this Agreement and acknowledged by the Foundation in a principal amount equal to the principal amount of the Bond as substantially in the form attached as Exhibit B.

"Payment of the Bond" means payment in full of the Bond and the making in full of all other Required Payments due and payable at the time of such payment.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA, and any successor entity performing similar functions.

"Person" shall mean any individual, partnership, limited liability company, corporation, association, joint venture, trust or other entity, or any Governmental Authority.

"Plan" means any "employee benefit plan" as defined in Section 3 of ERISA (other than a Multiemployer Plan) maintained or contributed to by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate has or may have an obligation to contribute, and each such plan that is subject to Title IV of ERISA for the five-year period immediately following the latest date on which the Borrower or any ERISA Affiliate maintained, contributed to or had an obligation to contribute to (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

"Project" means certain capital projects undertaken by the Borrower at its Facilities and financed with the proceeds of the Bond.

"Rebate Amount" means the rebate amount (as defined in Section 1.148-1 of the Treasury Regulations) with respect to the Bond.

"Rebate Amount Payable" means, for any Computation Date, the amount (if any) payable to the United States pursuant to Section 148(f) of the Code with respect to the Rebate Amount as of such Computation Date, including any amount payable with respect to income attributable to the Rebate Amount.

"Regulation T" means Regulation T of the Board of Governors of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System.

"Related Person" means (a) an organization that is under common management or Control with another organization, or (b) a related person, as defined in Section 144(a)(3) of the Code or Section 145(b)(3) of the Code.

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

"Required Payment" means any payment of money required under the terms of the Financing Instruments to be made by the Borrower for its own account or for the account of the Authority.

"Requisition" shall mean a properly completed and executed requisition by the Borrower to the Lender or the Escrow Agent, as applicable, in the form of Exhibit D attached to the Escrow Agreement (or another form satisfactory to the Lender) setting forth the amount of the Bond proceeds desired, and approved by the Lender.

"Restricted Gift" means a gift, devise or bequest collected by the Borrower or the Foundation that is conditioned upon its use by the Borrower or the Foundation for (a) the renovation, construction, equipping or installation of the facilities financed or refinanced with the Bond proceeds or payment of the price thereof, or (b) the payment or prepayment, in whole or in part, of the Bond.

"Series 2015A Bond" means the Residential Care Facility Mortgage Revenue Refunding Bond (Westminster-Canterbury of the Blue Ridge), Series 2015A in the original principal amount of $10,000,000 issued by the Economic Development Authority of the Town of Louisa, Virginia.

"Supplemental Indenture" means the Sixth Supplement to Master Trust Indenture dated as of June 1, 2016 between the Borrower, the Foundation, and the Master Trustee, supplementing the Master Indenture.

"Taxable Period" means the period of time between (a) the date that interest on the Bond is deemed to be includable in the gross income of the owner thereof for federal income tax purposes as a result of an Event of Taxability, and (b) the date of the Event of Taxability and after which the Bond bears interest at the Taxable Rate.

"Taxable Rate" means the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Event of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Event of Taxability. The Lender shall provide the Borrower with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Borrower and the Authority.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including an interest, additions to tax or penalties applicable thereto.

"Tax Certificate" means the Non-Arbitrage and Tax Compliance Agreement dated as of June 1, 2016, between the Authority and the Borrower.

"Tax-Exempt Bond" means an obligation the interest on which is excluded from gross income for federal income tax purposes and shall include any interest in a regulated investment company to the extent provided in Treasury Regulations Section 1.150-1(b); provided, however, that no specified private activity bond (as defined in Section 57(a)(5)(C) of the Code) shall be deemed to be a Tax-Exempt Bond.

"Trade or Business" means a trade or business as such term is used in Section 141(b)(6) of the Code.

"2016A Modification to Deed of Trust" means the Modification to Deed of Trust and Security Agreement dated as of June 1, 2016, given by the Borrower to certain deed of trust trustees named therein, modifying the Deed of Trust.

"Unrelated Trade or Business" means a Trade or Business of a 501(c)(3) Organization that is an unrelated trade or business (determined by applying Section 513(a) of the Code) of such 501(c)(3) Organization.

"Virginia Code" means the Code of Virginia of 1950, as amended.

**Section 1.2 Rules of Construction.** The following rules shall apply to the construction of the Financing Instruments unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa, and any gender shall connote any other gender.
make the statements contained therein, in the light of the circumstances in which they were made, not misleading. There is no fact that the Borrower has not disclosed in writing to the Lender that materially affects adversely or, so far as the Borrower can now foresee, based on facts known to it, will have a Material Adverse Effect.

(o) No part of the proceeds of the loan evidenced by the Bond will be used directly or indirectly (a) to fund or finance any operations, investments or activities in or make any payments to a (1) Person that is, or is owned or controlled by, Persons that are the subject of any Sanctions (as defined below) or (2) country or territory that is, or is owned or controlled by Persons that are, the subject of Sanctions, or in any other manner that would result in a violation of any Sanctions by any Person, or (b) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any laws, rules or regulations of any jurisdiction concerning or relating to bribery or corruption. While the loan evidenced by the Bond remains outstanding, each Obligor, each subsidiary or affiliate of each Obligor, and their respective directors, officers, employees, or agents will not (x) be or become a Sanctioned Person, (y) allow any of their assets to be located in a Sanctioned Country, or (z) derive any of their operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries. As used herein, "Sanctions" means any trade, economic or financial sanctions administered or enforced by the Office of Foreign Assets Control, the U.S. Department of State, the United Nations Security Council, the EU, Her Majesty's Treasury or other relevant sanctions authority. As used herein, the term "Obligor" shall individually and collectively refer to the Borrower and any other Person that is primarily or secondarily liable for the payment of the loan evidenced by the Note and any Person that has conveyed or may hereafter convey any security interest or lien to Lender in any real or personal property to secure payment of the Note.

(p) To the best of its knowledge, the Borrower (i) has not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has not become subject to any Environmental Liability, (iii) has not received notice of any claim with respect to any Environmental Liability, and (iv) knows of no basis for any Environmental Liability.

(q) The Borrower is not (a) an "investment company" or "controlled" by an "investment company", as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) otherwise subject to any other regulatory scheme limiting its ability to incur debt.

(r) The Borrower has timely filed or caused to be filed all Federal income tax returns and all other material tax returns that are required to be filed by it, and has paid all Taxes shown to be due and payable on such returns or on any assessments made against it or its property and all other Taxes imposed on it or any of its property by any Governmental Authority, except (a) to the extent the failure to do so would not have a Material Adverse Effect or (b) where the same are currently being contested in good faith by appropriate proceedings and for which the Borrower has set aside on its books adequate reserves in accordance with GAAP. As of the Closing Date, the charges, accruals and reserves on the books of any Member of the Obligated Group in respect of such Taxes are adequate, and no tax liabilities that could be materially in excess of the amount so provided are anticipated.
(s) None of the proceeds of any of the Bond will be used, directly or indirectly, for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of such terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the applicable Margin Regulations Regulation T, Regulation U or Regulation X. Neither the Borrower nor any other Member of the Obligated Group (if any) is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying "margin stock.

(t) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

(u) There are no strikes, lockouts or other material labor disputes or grievances against any Member of the Obligated Group, to the Borrower's knowledge, threatened against or affecting any Member of the Obligated Group, and no significant unfair labor practice, charges or grievances are pending against any Member of the Obligated Group, or to the Borrower's knowledge, threatened against any of them before any Governmental Authority. All payments due from any Member of the Obligated Group pursuant to the provisions of any collective bargaining agreement have been paid or accrued as a liability on the books of any Member of the Obligated Group, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(v) The Borrower does not "control" the Lender, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940.

(w) To the Borrower's knowledge, the Borrower (i) is not a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) does not engage in any dealings or transactions prohibited by Section 2 of such executive order, and is not otherwise associated with any such person in any manner violative of Section 2, and (iii) is not a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(x) To the Borrower's knowledge, the Borrower is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Bonds will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.
The Borrower shall pay to the Authority (i) its reasonable expenses, including the reasonable fees of its counsel, directly related to the Facilities or the Bond, (ii) a reasonable share of the cost of any audit of the funds of the Authority, and (iii) an annual administrative fee equal to ______ of the outstanding principal amount of the Bond, payable on each anniversary date of the issuance thereof [to be confirmed with Authority Counsel], subject to and in accordance with applicable law and the requirements of the Authority (provided, however, that such amounts, together with any other amounts paid to the Authority, shall not equal or exceed an amount which would cause the "yield" on the Bond, as such terms are defined in the Code), and (ii) to pay all costs, fees, and expenses incurred by the Authority (including attorneys’ fees) in connection with (a) the authorization, issuance and sale of the Bond, (b) the ownership, occupation, operation or use of Facilities, (c) prepayment or redemption of the Bond, (d) administrative costs and expenses of the Authority, including the fees of attorneys, accountants, engineers, appraisers, or consultants, paid or incurred by the Authority by reason of the Bond being outstanding or pursuant to requirements of the Financing Instruments, and (e) such other fees and expenses of the Authority, not directly related to the Facilities, but attributable to the Authority's financing of industrial or commercial projects, including without limitation, a share of costs of the Authority's annual audit as required by Title 15.2 of the Code of Virginia, determined in accordance with the Authority's rules and procedures. The obligations of the Borrower under this subsection and subsection (c) shall survive Payment of the Bond.

(c) The Borrower shall pay (i) on the Closing Date, the Lender's fee of $20,000, (ii) the reasonable fees and expenses of the Lender, bond counsel and counsel to the Lender and all other costs, fees and expenses incidental to the financing hereunder, the issuance of the Bond and the costs of producing the Financing Instruments, and (iii) all taxes of any kind whatsoever lawfully assessed, levied or imposed with respect to the transactions contemplated by this Agreement.

Section 6.2 Default in Payments. If the Borrower should fail to make, or cause to be made, any Required Payment when due, the Borrower shall, to the extent permitted by law, pay interest thereon at the Taxable Rate.

Section 6.3 Unconditional Obligations. The obligations of the Borrower to make, or cause to be made, Required Payments and to perform and observe all other covenants, conditions and agreements hereunder shall be general obligations of the Borrower and shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim the Borrower might otherwise have against the Authority or the Lender. Nothing in this Section shall be construed as a waiver by the Borrower of any rights or claims it may have against the Authority or the Lender under this Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Authority or the Lender separately. Subject to Section 11.1, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of its other covenants, conditions and agreements under the Financing Instruments for any cause, including without limitation any acts or circumstances that may constitute failure of consideration, failure of title to any part or all of the Facilities, or commercial frustration of purpose, or any damage to or destruction of all or any part of the Facilities, or any change in the...
Section 7.4  **Cure by Authority or the Lender.** If the Borrower shall fail to make any payment or perform any act required of it hereunder, the Authority or the Lender, without prior notice to or demand upon the Borrower and without releasing any obligation or waiving any default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority or the Lender and all costs, fees and expenses so incurred, including reasonable counsel fees, shall be immediately due and payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the Taxable Rate, to the extent permitted by law.

Section 7.5  **Use of Facilities.** The Borrower shall obtain and maintain all necessary permits and approvals for the operation and maintenance of the Facilities and shall comply with all lawful requirements of any governmental body regarding the use or condition of the Facilities, whether now existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other changes to the Facilities and irrespective of the cost of making the same. Upon request by the Lender, the Borrower shall furnish to the Lender evidence of the Borrower's compliance with the requirements of the preceding sentence. The Borrower shall use the portion of the Facilities the acquisition, renovation or construction of which is financed and/or refinanced, in whole or in part, from the proceeds of the Bond for the purposes contemplated by the Authorizing Resolution until Payment of the Bond; provided that the Borrower may change the use of the Facilities, or cause such use to be changed, if the Borrower shall have first delivered to the Lender an opinion of Bond Counsel that such change in use will not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

Section 7.6  **Indemnification.**

(a) The Borrower shall (i) protect, indemnify and save harmless the Authority and the Lender and any person who Controls the Lender (Authority and its officers, directors, employees and agents and the Lender and its officers, directors, employees and agents (collectively, the "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against any Indemnified Party on account of or related to (A) any failure of the Borrower to comply with any of the terms, warranties, covenants or representations in the Financing Instruments, or (B) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facilities or the use thereof; and (ii) at all times protect, indemnify and save harmless the Indemnified Parties from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against the Indemnified Parties on account of or related to (A) the initial sale, issuance or offering for sale of the Bond or (B) any action related to the acts, representations, covenants, obligations or other matters contemplated by, required by or related to the Financing Instruments; provided that such indemnity shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the proceeds received by it from any insurance carried with respect to such loss and provided further that the benefits of this Section shall not inure to any person other than the Indemnified Parties. Nothing contained herein shall require the Borrower to indemnify the Authority for any claim or liability resulting from its gross
Section 11.14 Waiver of Jury Trial. THE BORROWER AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, WHETHER IN CONTRACT OR TORT OR OTHERWISE, AT LAW OR IN EQUITY, BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS NOTE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO OR ACCEPTING THIS NOTE. FURTHER, BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE LENDER, NOR THE LENDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUNTRUST WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

Section 11.15 Waiver of Damages other than Direct or Actual. TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER AND THE LENDER HEREBY IRREVOCABLY WAIVE (AND IRREVOCABLY AGREE NOT TO ASSERT) ANY CLAIM WHATSOEVER FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) AGAINST EACH OTHER (OR AGAINST EACH OTHER'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS OR AGENTS) AT ANY TIME ARISING UNDER OR RELATING TO THE BOND OR THE FINANCING INSTRUMENTS, ANY RELATED DOCUMENT, OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN

[Signatures Appear on Following Page]