

DIRECT PURCHASE AGREEMENT

dated

September [15], 2017

among

Virginia Small Business Financing Authority,

Virginia SAVES Green Community Program, Inc.,

Banc of America Leasing & Capital, LLC

and

Albemarle County School Board

concerning

[\$7,900,000]

Virginia Small Business Financing Authority

Taxable Qualified Energy Conservation Bond (Direct Pay)

(Virginia SAVES Green Community Program – Albemarle County Public Schools Project),
Series 2017

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[\$7,900,000]

**Virginia Small Business Financing Authority
Taxable Qualified Energy Conservation Bond (Direct Pay)
(Virginia SAVES Green Community Program – Albemarle County Public Schools Project),
Series 2017**

Dated September [15], 2017

Virginia Small Business Financing Authority
1201 Main Street, Suite 1600
Richmond, Virginia 29201
Attention: Anna Mackley, Interim Executive Director

Virginia SAVES Green Community Program, Inc.
c/o CleanSource Capital, LLC
1447 South Tryon Street, Suite 301
Charlotte, North Carolina 28203
Attention: W. Gregory Montgomery, President

Albemarle County School Board
401 McIntire Road, 4th Floor
Charlottesville, Virginia 22902
Attention: Dr. Pamela R. Moran, Superintendent

Ladies and Gentlemen,

Banc of America Leasing & Capital, LLC, as purchaser (the "Purchaser"), offers to enter into this Direct Purchase Agreement (this "Agreement") with the Virginia Small Business Financing Authority (the "Issuer"), Virginia SAVES Green Community Program, Inc. (the "Borrower") and the Albemarle County School Board (the "Project Owner"), which, upon acceptance of this offer by the Issuer and the Borrower, will be binding upon the Purchaser, the Issuer, the Borrower and the Project Owner. This offer is made subject to written acceptance by the Issuer and the Borrower on or before 5:00 p.m., Eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Purchaser upon written notice delivered to the Issuer, the Borrower and the Project Owner at any time prior to such acceptance.

Unless otherwise specified herein, any capitalized term used but not defined in this Agreement shall have the meaning given such term in the Bond Purchase Agreement (as defined herein).

1. Execution and Delivery of Bond Purchase Agreement. Upon the terms and conditions hereof and upon the basis of the representations, warranties and covenants set forth in

this Agreement, the Issuer, the Purchaser, the Project Owner and the Borrower each hereby agrees to enter into a Bond Purchase and Lease Acquisition Agreement, dated as of September [28], 2017 (the "Bond Purchase Agreement"), pursuant to which the Issuer will issue and sell to the Purchaser, and the Purchaser shall purchase from the Issuer, the Virginia Small Business Financing Authority Taxable Qualified Energy Conservation Bond (Direct Pay) (VirginiaSAVES Green Community Program – Albemarle County Public Schools Project), Series 2017, in an aggregate principal amount not to exceed \$[7,900,000] (the "Bond"). The Bond Purchase Agreement shall contain interest components and such other terms as set forth in the executed Purchaser's proposal, which was previously accepted and agreed to by the Project Owner and is attached hereto as Exhibit A. On or prior to the date hereof, the Issuer approved the issuance of the Bond and the entering into of this Agreement.

2. Payment and Delivery. On September [28], 2017, or on such other date as the parties mutually agree upon in writing (the "Closing Date"), the Bond Purchase Agreement will be executed and delivered by the Issuer, the Borrower, the Purchaser and the Project Owner. On or about September 25, 2017 and prior to the Closing Date, such other documents as mentioned herein shall be delivered at the offices of McGuireWoods LLP ("Bond Counsel"), at Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219.

3. Conditions of Closing for Purchaser. The Purchaser has entered into this Agreement in reliance upon the agreements, representations and warranties contained herein and to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the parties hereto of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Purchaser's obligation under this Agreement to purchase and pay for the Bond on the Closing Date shall be subject to the performance by such parties of their respective obligations to be performed hereunder and the following conditions at or prior to the Closing Date:

(a) On the Closing Date, (i) the Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Purchaser and (ii) the parties hereto shall have duly adopted and there shall be in full force and effect such resolutions as in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby, and such resolutions shall not have been amended, modified or supplemented.

(b) On the Closing Date, (i) the Financing Documents (as defined in the Bond Purchase Agreement) shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Purchaser and (ii) the conditions precedent as set forth in the Financing Documents shall have been fully satisfied or waived by the Purchaser in its sole and absolute discretion.

(c) The Purchaser shall have the right to terminate its obligations under this Agreement to execute and deliver the Bond Purchase Agreement and pay for the Bond by notifying the parties hereto of its election to do so if, after the execution hereof and on or prior to the Closing Date:

(i) legislation shall have been introduced in, proposed, actively considered or enacted by the Congress of the United States or the Commonwealth's legislature, legislation shall have been adopted by, or favorably reported for passage by committee to either House of the United States Congress or of the Commonwealth's legislature or legislation pending in the Congress of the United States or the Commonwealth's legislature shall have been amended, or a decision shall have been rendered by a court of the United States or the Commonwealth, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release, official statement or other form of notice shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal or state authority, with respect to interest or subsidy payments on obligations of the general character of the Bond, which in the reasonable opinion of the Purchaser, affects materially and adversely the market price generally of obligations of the general character of the Bond or the ability of the Project Owner through the Issuer to be eligible for the subsidy payments therefor;

(ii) any legislation, resolution, rule or regulation shall have been enacted or proposed or actively considered for enactment by any government body, department or agency of the Commonwealth, or any decision by any court of competent jurisdiction within the Commonwealth shall have been rendered that in the reasonable opinion of the Purchaser affects materially and adversely the market price generally of obligations of the general character of the Bond or the ability of the Project Owner through the Issuer to be eligible for the subsidy payments therefor;

(iii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or other unforeseen national or international calamity or any conflict involving the armed forces of the United States shall have occurred, escalated or accelerated to such an extent as, in the reasonable opinion of the Purchaser, affects materially and adversely the market price generally of obligations of the general character of the Bond or the ability of the Project Owner through the Issuer to be eligible for the subsidy payments therefor;

(iv) there shall have occurred and be in force a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by authorities of the United States, the Commonwealth or New York State, or any devaluation of the dollar shall have been proposed or effected by any governmental authority of the United States;

(v) there shall have occurred any material adverse change in the affairs of the Borrower or the Project Owner that, in the reasonable judgment of the Purchaser, materially and adversely affects the price for the Bond, the market price generally of obligations of the general character of the Bond, or the ability of the Project Owner through the Issuer to be eligible for the subsidy payments therefor; or

(vi) a decision of any federal or state court or a ruling or regulation (final, temporary or proposed) of the Securities and Exchange Commission or other governmental agency shall have been made or issued that would make the Bond or any

securities of the Issuer or any similar body of the type contemplated herein subject to the registration requirements of the Securities Act.

(d) Prior to the Closing Date, the Purchaser shall have received fully-executed originals of the following documents in form and substance satisfactory to the Purchaser, Purchaser's counsel and Bond Counsel:

(i) Executed copies of the Financing Documents (as defined in the Bond Purchase Agreement);

(ii) Evidence of the due authorization, execution and delivery of the Financing Documents by the parties thereto and certificates covering litigation, compliance with all applicable federal, state and local laws, restrictions and requirements, and prior agreements;

(iii) An opinion or opinions of Bond Counsel that interest on the Bond is exempt from all taxation in the Commonwealth, except inheritance, estate or transfer taxes, that the Bond is duly authorized and that the Bond is a valid, binding and enforceable obligation of the Issuer;

(iv) Evidence of the completion and arrangements for filing of Internal Revenue Service Form 8038-TC with respect to the issuance of the Bond, together with a certificate of an authorized officer of the Borrower with respect to the information contained therein;

(v) A certificate of the Borrower having as attachments true and correct copies of its articles of incorporation, bylaws and a Certificate of Existence issued by the Secretary of the Commonwealth;

(vi) The Purchaser shall have received a copy, duly certified by a member of the Board of Directors of the Issuer, of the resolution of the Issuer approving the issuance of the Bond; and

(vii) Such other documentation, certificates and opinions as may be reasonably required by the Purchaser, the Issuer or Bond Counsel, including, but not limited to, all documents, certificates and opinions required under the Financing Documents.

All representations, warranties and agreements of the Issuer and the Borrower set forth in this Agreement shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Purchaser or any person controlling the Purchaser and (ii) acceptance of and payment for the Bond by the Purchaser. For all purposes of this Agreement, a default shall not be deemed to be continuing if it has been cured, waived or otherwise remedied.

4. Qualification under State Securities Laws. Because the Bond will not be offered for sale under the Blue Sky or other securities laws and regulations, the Issuer is not required to furnish such information, execute such instruments and take such other action in cooperation with the Purchaser to qualify the Bond for offer and sale under the Blue Sky or other securities

laws and regulations or provide for the continuance of such qualification. In addition, the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

5. Parties in Interest. This Agreement is made solely for the benefit of the Purchaser and its subsidiaries and affiliates, the Issuer, the Borrower and the Project Owner, and their respective successors and assigns, and no other person, partnership or corporation shall acquire or have any right under or by virtue of this Agreement.

6. Absence of Liability. No recourse shall be had by the Purchaser for any claims based on this Agreement or otherwise against any member, officer or agent of the Issuer or the Borrower in his or her individual capacity, all claims, if any, being waived and released by the Purchaser.

7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8. Notices. All demands, notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or by overnight courier or mailed by first class registered or certified mail, postage prepaid, addressed:

(a) if to the **Borrower**, to Virginia SAVES Green Community Program, Inc., c/o CleanSource Capital, LLC, 1447 South Tryon Street, Suite 301, Charlotte, North Carolina 28203 Attention: W. Gregory Montgomery, with a copy to McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, Attention: Douglas E. Lamb, Esq.;

(b) if to the **Issuer**, to the Virginia Small Business Financing Authority, 101 N 14th Street, 11th Floor, Richmond, Virginia 23219, Attention: Executive Director;

(c) if to the **Purchaser**, to Banc of America Leasing and Capital, LLC, 11333 McCormick Road, Mail Code: MD5-032-07-05, Hunt Valley, Maryland 21031, Attn: Contract Administration;

(d) if to the **Project Owner**, to Albemarle County School Board, 401 McIntire Road, 4th Floor, Charlottesville, Virginia 22902, Attention: Superintendent.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth.

[Remainder of Page Intentionally Left Blank;
Signature Pages Follow]

This Agreement shall become effective upon the execution of the acceptance and approval hereof as of the date first written above by duly authorized representatives of the parties hereto and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

BANC OF AMERICA LEASING & CAPITAL, LLC

By: _____

Name: _____

Title: _____

Accepted:

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

By: _____
Anna Mackley
Interim Executive Director

Accepted:

VIRGINIA SAVES GREEN COMMUNITY PROGRAM, INC.

By: _____
W. Gregory Montgomery
President

Acknowledged:

ALBEMARLE COUNTY SCHOOL BOARD,
a body politic of the Commonwealth of Virginia

By: _____

[Name]

[Title]

EXHIBIT A

Purchaser's Proposal

(See Attached)