

P.O. Box 2569, Roanoke, VA 24010
Frank M. Smith, II, President & CEO
fsmith@highspeedroanoke.net Ph: 540.904.1073

BOARD MEMBERS:
Kevin Boggess, City of Salem
Tom Gates, Roanoke County
Gary Larrowe, Botetourt County
Mike McEvoy, Citizen
Chris Morrill, City of Roanoke

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Roanoke Valley Broadband Authority Board Meeting

***Friday, June 10, 2016 at 8:30 a.m.**

Roanoke Valley-Alleghany Regional Commission Office (Top Floor Conference Room),
313 Luck Avenue, SW, Roanoke, VA 24016

***Note Change of June Meeting Date**

AGENDA

1. **Call to Order, Roll Call, Introductions** *Chairman Boggess*
2. **Approval of the May 20, 2016 Minutes, pp. 3-4** *Chairman Boggess*
3. **Treasurer’s Report** *Olivia Dooley, Treasurer*
 - Financial Report Ending May 31, 2016, pp. 5-6
4. **Project Update** *Frank Smith, President & CEO*
5. **Request for Closed Meeting Pursuant to Section 2.2-3711 A.29.** *Chairman Boggess of the Code of Virginia, 1950, as amended.*

Recess into Closed Meeting for discussion of the award of a public contract involving the expenditure of public funds, including interview of bidders or offerors, and a discussion of the terms or scope of such contract, where discussion in open session would adversely affect the bargaining position or negotiating strategy of the Authority.

6. **End Closed Meeting and Reconvene Regular Meeting** *Chairman Boggess*
7. **Adoption of Certification Resolution of Closed Meeting, p. 7** *Chairman Boggess*

Broadband Agenda (Cont'd)

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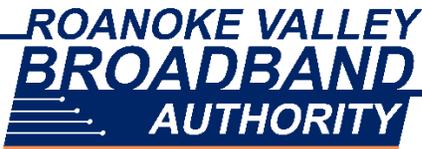
8. Action(s) by the Authority as a Result of the Closed Meeting Chairman Boggess

- Resolution Approving Modification of or Change Orders to Contracts for Engineering and Contract Maintenance and Construction Services, pp. 8-9
- Bond Resolution Providing for the Issuance, Sale and Award of a Taxable Broadband Infrastructure Revenue Bond, Series 2016, of the Roanoke Valley Broadband Authority, in the Principal Amount of up to \$3,640,000 and Providing for the Form, Details and Payment Thereof, pp. 10-20

9. Other Business Chairman Boggess

- Next Scheduled Meeting Date – Friday, July 15, 2016 at 8:30 a.m.

10. Adjournment



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MINUTES

The May meeting of the Roanoke Valley Broadband Authority was held on Friday, May 20, 2016 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission office, 313 Luck Avenue, SW, Roanoke, VA.

1. CALL TO ORDER, WELCOME AND ROLL CALL

Chairman Boggess called the meeting to order at 8:33 a.m. and welcomed those in attendance.

Wayne Strickland, Secretary to the Broadband Authority, called the roll and reported that a quorum was present.

Roanoke Valley Broadband Authority Board Members: *Present:* Kevin Boggess, City of Salem; Tom Gates, Roanoke County; and Mike McEvoy, Citizen.

OTHERS IN ATTENDANCE

Broadband Authority Staff: Frank Smith, President & CEO.

Regional Commission Staff: Olivia Dooley, Treasurer; Matt Miller, Assistant Secretary; Jackie Pace; and Wayne Strickland, Secretary.

Guests: Wayne Bowers, City of Roanoke and Broadband Advisory Committee member; Sam Darby, Glenn Feldmann Darby & Goodlatte; Jennifer Eddy, Eddy Communications; Sam English, Roanoke Blacksburg Technology Council and Broadband Advisory Committee member; Bill Hunter, Roanoke County; Rob Ledger, City of Roanoke; Michael Moore, Blue Ridge Behavioral Healthcare; and Margaret-Hunter Wade, Cox Communications.

2. APPROVAL OF THE APRIL 15, 2016 MINUTES

The Minutes of the April 15, 2016 meeting of the Roanoke Valley Broadband Authority were distributed earlier.

ROANOKE VALLEY BROADBAND AUTHORITY ACTION:

Upon motion by Mr. Morrill, seconded by Mr. Gates and carried, the Minutes of the April 15, 2016 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

3. **TREASURER'S REPORT**

The Financial Report, ending April 30, 2016, was provided earlier in the agenda mailing. Frank Smith noted under the Operating Budget: (1) the negative -\$4,244.93 under Miscellaneous was for a damage claim by the contractor during construction. Mr. Smith noted that the contractor will reimburse the Broadband Authority for this amount at a later date; and (2) the negative -\$281.39 under Supplies was for the purchase of an office computer.

Chairman Boggess stated that the Financial Report, ending April 30, 2016, would be filed, as presented.

4. **PROJECT UPDATES**

Frank Smith reported that he is continuing negotiations with current and potential customers for FY'16-17; working on advancements in the network to be current with technology; and keeping the board and public aware of the direction of the network. Mr. Smith also noted that he recently received useful feedback from Sandie Terry, Vice President, Center for Innovative Technology - Broadband Programs, who has been following the project closely.

Chairman Boggess shared an email from David Carter, Chief Technology Officer with Advanced Logic Industries, congratulating the RVBA for coming in on time with the network as promised. Mr. Carter also noted Advanced Logic Industries plans to be a strong advocate for the services of the RVBA in the region.

Jennifer Eddy, with Eddy Communications, reported on the recent Broadband Authority ribbon cutting held on April 26, 2016 at the Blue Ridge Public Broadcasting Station --- over 150 attendees, 30 active business leads from the event, good media coverage from the region, as well as statewide.

5. **OTHER BUSINESS**

- **June Meeting Date Change** – Chairman Boggess stated that the June meeting date would need to be **changed to Friday, June 10, 2016** at 8:30 a.m. at the Regional Commission office in order to accommodate a resolution required for the VRA bond application due later in June.

The meeting was adjourned at 8:42 a.m.

Submitted by:

Wayne Strickland, Secretary
Roanoke Valley Broadband Authority

ROANOKE VALLEY BROADBAND AUTHORITY
 Financial Report
 July 1 - May 31, 2016

DATE		FOR		BALANCE
04/01/2016		Beginning Balance		108,536.90
04/01/2016		Bank Fees	62.00	108,474.90
04/01/2016	Check 243	RHEC	500.00	107,974.90
04/01/2016	Check 244	RVARC	7,250.00	100,724.90
04/01/2016	Check 245	Applied Fiber Optics	8,640.00	92,084.90
04/01/2016	Check 246	Blue Ridge PBS	450.00	91,634.90
04/01/2016	Check 247	MBC	500.00	91,134.90
04/08/2016	Check 248	VML Insurance	574.00	90,560.90
04/08/2016	Check 249	BB&T	1,134.63	89,426.27
04/15/2016	Check 250	Glenn Feldman Darby & Goodlatte	1,096.00	88,330.27
04/15/2016	Check 251	Walker & Assoc Inc	110.00	88,220.27
04/19/2016	Check 252	WVWA	25,778.07	62,442.20
04/19/2016	Check 253	Norfolk Southern Railway	1,000.00	61,442.20
04/19/2016	Check 254	Thompson Litton	27,356.00	34,086.20
04/26/2016	Check 255	Walker & Assoc Inc	50,592.87	-16,506.67
04/27/2016	Check 256	National Documents	86.65	-16,593.32
04/27/2016	Check 257	EDDY Communications	12,500.00	-29,093.32
04/27/2016	Check 258	Verizon	84.43	-29,177.75
04/27/2016	Check 259	Appalachian Power	46.13	-29,223.88
04/27/2016	Check 260	Walker & Assoc Inc	28,401.70	-57,625.58
04/27/2014	Check 268	Utility Service Contractors	774,906.53	-832,532.11
04/30/2016	Transfer	Va Resource Authority		900,015.04
04/30/2016		Bank Fees	22.00	67,460.93

05/01/2016		Beginning Balance		67,460.93
05/02/2016		City of Roanoke	36,624.90	104,085.83
05/05/2016	Check 261	Appalachian Power	208.64	103,877.19
05/05/2016	Check 262	Marine Resources	685.00	103,192.19
05/05/2016	Check 263	Hurricane Electric	62.00	103,130.19
05/05/2016	Check 264	LIT Networks	811.67	102,318.52
05/05/2016	Check 265	MBC	500.00	101,818.52
05/05/2016	Check 266	RHEC	500.00	101,318.52
05/05/2016	Check 267	Pixel Data Factory	245.00	101,073.52
05/05/2016	Check 269	Applied Fiber Optics	5,500.00	95,573.52
05/05/2016	Check 270	Blue Ridge PBS	450.00	95,123.52
05/05/2016	Check 271	Frank M Smith	413.29	94,710.23
05/05/2016	Check 272	Glenn Feldman Darby & Goodlatte	2,508.00	92,202.23
05/05/2016	Check 273	Walker & Associates	132.60	92,069.63
05/05/2016	Check 274	WVWA	19,238.44	72,831.19
05/10/2016	Check 275	Walker & Associates	13,801.22	59,029.97
05/12/2016	Check 276	Roanoke Times	179.44	58,850.53
05/12/2016	Check 277	Walker & Associates	788.60	58,061.93
05/17/2016	Check 278	Walker & Associates	15,872.70	42,189.23
05/17/2016	Check 279	BB&T	1,258.51	40,930.72
05/23/2016	Check 280	Appalachian Power	91.65	40,839.07
05/26/2016	Check 281	Walker & Associates	3,621.00	37,218.07
05/26/2016	Check 282	LIT Networks	3,548.38	33,669.69
05/26/2016	Check 283	Blue Ridge Stamp & Seal	45.00	33,624.69
05/26/2016	Check 284	Hurricane Electric	1,012.00	32,612.69

Roanoke Valley Broadband Authority
Period 05/01/16 to 05/31/16

OPERATING BUDGET

Revenues	Budget	Prior Years	Current Month	YTD	Project to Date	YTD Under/Over
Cities of Roanoke/Salem	135,512.14	340,837.00	36,624.90	135,512.14	476,349.14	0.00
Counties of Bot/Roanoke	0.00	0.00	0.00	0.00	0.00	0.00
P/Y Carryover	307,717.00	18,280.04	0.00	0.00	18,280.04	307,717.00
Total Revenue	443,229.14	359,117.04	36,624.90	135,512.14	494,629.18	307,717.00
Expenses						
Accounting Package	400.00	224.95	0.00	299.95	524.90	100.05
Advertising	3,500.00	399.24	0.00	2,993.96	3,393.20	506.04
Audit	5,000.00	0.00	0.00	5,000.00	5,000.00	0.00
Bank Fees	200.00	0.00	0.00	150.00	150.00	50.00
Carrier Services	12,000.00	0.00	6,179.05	6,179.05	6,179.05	5,820.95
Computer Fees	300.00	83.88	6.99	381.80	465.68	-81.80
Contract (BRASG)	10,200.00	37,502.42	0.00	10,121.51	47,623.93	78.49
Contract (RVARC)	30,000.00	0.00	0.00	19,700.00	19,700.00	10,300.00
Contract (WVWA)	152,000.00	0.00	12,295.64	108,700.17	108,700.17	43,299.83
Debt Service Payments	135,512.14	0.00	0.00	135,512.14	135,512.14	0.00
Insurance	7,933.00	1,052.00	0.00	1,626.00	2,678.00	6,307.00
Legal Fees	20,000.00	11,532.39	1,476.00	15,743.45	27,275.84	4,256.55
Maintenance	6,000.00	0.00	0.00	0.00	0.00	6,000.00
Marketing	25,000.00	0.00	0.00	25,000.00	25,000.00	0.00
Miscellaneous	0.00	0.00	0.00	4,244.93	4,244.93	-4,244.93
NOC Services	0.00	0.00	0.00	0.00	0.00	0.00
Postage	500.00	0.00	43.58	247.65	247.65	252.35
Rents	8,700.00	0.00	1,450.00	7,754.53	7,754.53	945.47
Supplies	3,500.00	373.77	45.00	3,826.39	4,200.16	-326.39
Telephone	2,000.00	0.00	61.87	1,581.37	1,581.37	418.63
Travel	3,000.00	0.00	509.36	1,527.86	1,527.86	1,472.14
Training	500.00	400.00	0.00	299.00	699.00	201.00
Utilities	0.00	0.00	91.65	137.78	137.78	-137.78
Va 811 Locates	10,000.00	0.00	0.00	0.00	0.00	10,000.00
Operating Expenses for Future	6,984.00	0.00	0.00	0.00	0.00	6,984.00
						0.00
Total Expenses	443,229.14	51,568.65	22,159.14	351,027.54	402,596.19	92,201.60
Total	0.00	307,548.39	14,465.76	-215,515.40	92,032.99	215,515.40

CONSTRUCTION BUDGET

Revenues	Budget	Prior Years	Current Month	YTD	Project to Date	Project to Date Under/Over
Va Resource Authority	5,689,961.35	233,047.27	0.00	4,518,072.27	4,751,119.54	938,841.81
Interest income	0.00	0.00	0.00	0.00	0.00	0.00
Estimated Earnings	3,726.41	0.00	0.00	0.00	0.00	3,726.41
Total Revenue	5,693,687.76	233,047.27	0.00	4,518,072.27	4,751,119.54	942,568.22
Expenses						
Construction	3,811,414.09	666.07	12,992.80	3,149,131.78	3,149,797.85	661,616.24
Engineering/Const Admin	264,451.08	238,232.23	0.00	65,050.00	303,282.23	-38,831.15
Permitting/Easement Acquisitio	151,216.30	37,449.94	1,179.44	17,772.52	55,222.46	95,993.84
Electronics (System lighting & Data Stor	715,534.56	0.00	34,216.12	508,102.53	508,102.53	207,432.03
Local Debt Service Res Fund	670,039.01	670,039.01	0.00	0.00	670,039.01	0.00
Local Cost of Issuance	20,000.00	19,603.86	0.00	8,255.80	27,859.66	-7,859.66
Additional Proceeds/Contingen	61,032.72	0.00	0.00	0.00	0.00	61,032.72
Total Expenses	5,693,687.76	965,991.11	48,388.36	3,748,312.63	4,714,303.74	979,384.02
Total	0.00	-732,943.84	-48,388.36	769,759.64	36,815.80	-36,815.80



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CERTIFICATION RESOLUTION

RESOLUTION CERTIFYING CLOSED MEETING WAS HELD IN CONFORMITY WITH THE CODE OF VIRGINIA

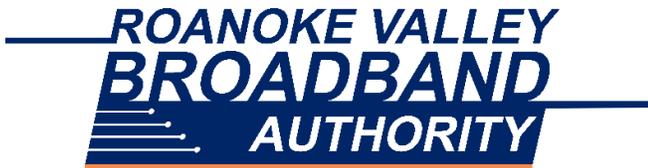
WHEREAS, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.

The 10th day of June, 2016



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**RESOLUTION
OF THE BOARD OF THE
ROANOKE VALLEY BROADBAND AUTHORITY**

**Approving Modification of or Change Orders to Contracts for Engineering and
Contract Maintenance and Construction Services**

WHEREAS, the Roanoke Valley Broadband Authority (the "Authority"), an authority formed and existing in accordance with the provisions of Chapter 54.1 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Wireless Service Authorities Act §§ 15.2-5431.1-15.2-5431.37 (the "Act"), issued and advertised its Request for Proposals for the design and contract management, and issued its Invitation for Bids for the construction of, its approximately 47-mile metropolitan, suburban and rural fiber optic telecommunications network with single-ring architecture in the Roanoke Valley area, including related landscaping and infrastructure (the "Original Project"); and,

WHEREAS the proposals received in response to the Request for Proposals were evaluated, two or more vendors selected and ranked, and negotiations with such vendors resulted on the Authority's entering into a contract with Thompson and Litton ("T&L") for the design of the Original Project and for contract management of the construction; and

WHEREAS, the Authority evaluated the bids received in response to the Invitation to Bid and awarded a fixed price contract to Utility Service Contractors, Inc. ("USC") for the construction of the Original Project; and,

WHEREAS, the Authority had determined to design, construct and operate an approximately 25-mile extension to the Original Project (the "Roanoke County Extension") to be located mostly in Roanoke County, Virginia; and,

WHEREAS, the President/CEO has recommended to the Board that in light of the positive experiences the Authority has had with T&L and with USC that the Board consider a modification of or a change order to the contracts during performance to provide for the design, contract management, and construction of the Roanoke County Extension; and

WHEREAS, Virginia Code Section 2.2-4309 provides that while contracts may be modified during performance, but no fixed-price contract may be increased by more than twenty-five percent of the amount of the contract or \$50,000, whichever is greater, without the advance written approval of the governing body of the Authority; and,

WHEREAS, the Members of the Board of the Authority have carefully considered the benefits to the Authority of modifying the two existing contracts rather than go through a competitive bid process, and have taken into account the positive experience the Authority has had with its two contract parties, as well as the efficiencies to be gained from having them continue their work.

NOW THEREFORE, be it resolved by the Members of the Board of the Roanoke Valley Broadband Authority that after consideration of the terms, conditions and benefits thereof, the Members of the Board of Directors of the Roanoke Valley Broadband Authority do hereby approve, in the event the President/CEO determines that such would be in the best interest of the Authority, the modification of or change orders to the contracts to provide for the continuation of the design, contract management and construction of the Roanoke County Extension, as presented to this meeting; *provided, however*, that in the event the President/CEO determines to issue requests for proposals, or invitations to bid, nothing in this resolution shall hinder or impede his ability or authority to do so.

AND BE IT FURTHER RESOLVED, that the President/CEO is hereby authorized and directed to negotiate, execute and deliver modifications to the existing contracts in such form as may be approved by the President/CEO; and to take all such further action as may be necessary or desirable in connection with and that are in conformity with the purposes and intent of this resolution.

This resolution shall take effect immediately.

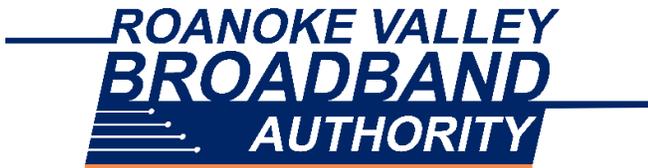
Directors Absent _____
Votes For _____
Votes Against _____
Abstentions _____

CERTIFICATION

The undersigned secretary of the Roanoke Valley Broadband Authority does hereby certify that the foregoing is a true, complete and correct Resolution adopted by a vote of a majority of the Members of the Roanoke Valley Broadband Authority, present at a meeting of the Members of the Roanoke Valley Broadband Authority duly called and held June 10, 2016 at which a quorum was present and acting throughout, and that the same has not been amended or rescinded and is in full force and effect as of the date of this certification, June _____, 2016.

(SEAL)

Matt Miller, Assistant Secretary
Roanoke Valley Broadband Authority



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RESOLUTION OF THE ROANOKE VALLEY BROADBAND AUTHORITY

Bond Resolution Providing for the Issuance, Sale and Award of a Taxable Broadband Infrastructure Revenue Bond, Series 2016, of the Roanoke Valley Broadband Authority, in the Principal Amount of Up to \$3,640,000 and Providing for the Form, Details and Payment Thereof

WHEREAS, the Roanoke Valley Broadband Authority (the "Authority"), a public body politic and corporate, formed and existing in accordance with the provisions of Virginia Wireless Service Authorities Act, Chapter 54.1 of Title 15.2 of the Code of Virginia, 1950 (the "Act") has determined to authorize the issuance of its Taxable Broadband Infrastructure Revenue Bond, Series 2016 (the "Local Bond") in the aggregate principal amount of up to \$3,640,000, to finance the design, engineering and construction of an approximately 25 mile extension (situate mostly in Roanoke County) to the Authority's newly completed 47-mile metropolitan, suburban and rural fiber optic telecommunications network with single ring architecture in the Roanoke Valley area, including related landscaping, infrastructure and issuance costs (the "Project"); and,

WHEREAS, the Authority, pursuant to the Act, has determined to issue the Local Bond to finance the Project and pay issuance costs for the Local Bond; and,

WHEREAS, the Authority is applying for the purchase by the Virginia Resources Authority ("VRA") of the Local Bond, and VRA, subject to final credit approval, has indicated its willingness to purchase such bond from the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2016B (or subsequent series if not purchased on the VRA Sale Date defined below) (as more particularly described in the below-defined Financing Agreement, the "VRA Bonds"), in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated as of a date specified by VRA, between VRA and the Authority (the "Financing Agreement"), the form of which has been presented to this meeting; and,

WHEREAS, VRA has advised the Authority that the sale of the VRA Bonds is tentatively scheduled for July 27, 2016, but may occur, subject to market conditions, at any time between July 15 and August 15, 2016 (the "VRA Sale Date"), and, in the event the Local Bond is not purchased by VRA on such date, the Local Bond may be sold to VRA under substantially the same terms and conditions at a later date; and that VRA's objective is to pay the Authority a purchase price for the Local Bond which in VRA's judgment reflects its market value (the "Purchase Price Objective") taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA) (collectively, the "VRA Costs"), and other market conditions relating to the sale of the VRA Bonds; and,

WHEREAS, such factors are expected to result in the Authority's receiving a purchase price other than the par amount of the Local Bond and consequently (i) the aggregate principal amount of the Local Bond may be greater or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Local Bond set forth in Section 3 of this Resolution does not exceed the Proceeds Requested by at least the VRA Costs and any original issue discount, the amount to be paid to the Authority, given the Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and,

WHEREAS, the Financing Agreement shall indicate that the sum of \$3,000,000 plus an amount sufficient to provide for a maximum annual debt service reserve fund (or such other amount as requested by the Authority and approved by VRA prior to pricing the VRA Bonds) is the amount of proceeds requested plus costs of issuance (the "Proceeds Requested") from VRA; and,

WHEREAS, the Financing Agreement will provide that the terms of the Local Bond will not exceed the parameters set forth below in Section 3.

BE IT RESOLVED BY THE BOARD MEMBERS OF THE ROANOKE VALLEY BROADBAND AUTHORITY AS FOLLOWS:

1. Issuance of Bonds and Use of Proceeds. Pursuant to the Act, the Authority hereby provides for the issuance and sale of its Taxable Broadband Infrastructure Revenue Bond, Series 2016, in the principal amount of up to \$3,640,000 to provide funds to finance the Project and to pay issuance and financing costs incurred in issuing such bond. Such Local Bond is being issued pursuant to the Act and this resolution.

2. Authorization of Financing Agreement, Amendments to the Existing Support Agreement with the Cities of Roanoke and Salem, Virginia and Support Agreement with Roanoke County, Virginia. The form of the Financing Agreement is hereby approved. The form of a Support Agreement (the "Support Agreement") among VRA, the Authority and the County of Roanoke, Virginia, in the form as presented to the meeting, is hereby approved. The form of a Service Agreement Relating to Support Agreements for the Roanoke Valley Broadband Authority among the City of Roanoke, Virginia (the "City of Roanoke"), the City of Salem, Virginia (the "City of Salem," and, with the City of Roanoke, the "Cities"), Roanoke County, Virginia ("Roanoke County"), the Authority, and VRA (the "Service Agreement"), is hereby approved. The form of a First Amendment to Support Agreement for the Roanoke Valley Broadband Authority among the Cities, the Authority, and the VRA (the "First Amendment"), is hereby approved. The Authority's Chair or Vice Chair, each of whom is authorized to act, are authorized to execute the Financing Agreement, the Support Agreement, the Service Agreement and the First Amendment in substantially such forms, with such completions, omissions, insertions and changes not inconsistent with this Bond Resolution as may be approved by the Authority's Chair or Vice Chair, whose approval shall be evidenced conclusively by the execution and delivery thereof. The Chair and Vice Chair, each of whom is authorized to act, are authorized and directed to make such certifications and take such further action as may be necessary or convenient to cause the issuance and sale of the Local Bond and the financing, engineering, construction and installation of the Project. The issuance and sale of the Local Bond to VRA shall be upon the terms and conditions of the Financing Agreement. The proceeds of such bond shall be applied in the manner set forth in the Financing Agreement. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Financing Agreement. The Chair and the Vice Chair, either ONE of whom may act, are hereby named Local Representatives of the Authority.

3. Bond Details. The Local Bond shall be issued as a single, registered bond, shall be designated "Roanoke Valley Broadband Authority Taxable Broadband Infrastructure Revenue Bond, Series 2016," shall be numbered R-1, shall be dated the date that is thirty (30) days prior to the closing of the VRA Bonds, shall be in the principal amount not to exceed \$3,640,000 and shall mature no later than October 1, 2026. The Authority authorizes the issuance and sale of the Local Bond on terms as shall be determined by VRA subject to VRA's Purchase Price Objective and market conditions described in the Recitals of this Bond Resolution; provided, however, that the Local Bond (i) shall have a "true" interest cost not to exceed five percent (5%) per year (exclusive of "supplemental interest" as provided in the Financing Agreement) and (ii) shall be subject to payment upon the terms set forth in the Financing Agreement. Subject to the preceding terms, the Authority further authorizes its Chair or Vice Chair, each of whom is authorized to act, to accept the final terms presented by VRA including (a) the final principal amount of the Local Bond and (b) the amortization schedule (including the principal installment dates and amounts) for the Local Bond. The Authority authorizes the issuance and sale of the Local Bond to VRA. The Authority Chair or Vice Chair, either ONE of whom may act, are hereby authorized to execute and deliver the Local Bond, which shall be in substantially the form approved by the Chair or Vice Chair, with such completions, omissions, insertions and changes not inconsistent with this Bond Resolution as may be approved by the Chair or Vice Chair.

As set forth in the Financing Agreement, the Authority agrees to pay such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish any VRA Reserve. The principal of and premium, if any, and interest on the Local Bond shall be payable in lawful money of the United States of America.

4. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Local Bond shall be payable as set forth in the Financing Agreement. The Authority may, at its option, redeem, prepay or refund the Local Bond upon the terms set forth in the Financing Agreement and in the Local Bond.

5. Execution and Form of Local Bond. The Local Bond shall be signed by the Authority's Chair or Vice Chair and the Authority's seal shall be affixed thereon and attested by the Secretary of the Authority. The Local Bond shall be issued as a typewritten bond in substantially the form of **Exhibit A** attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Bond Resolution as may be approved by the Chair or Vice Chair whose approval shall be evidenced conclusively by the execution and delivery of the Local Bond.

6. Revenues Pledged; Disclaimer. Subject to the right of the Authority to apply its broadband fiber revenues (the "Revenues" as defined in the Financing Agreement) to the payment of Operation and Maintenance Expenses, the Authority irrevocably pledges the Revenues to the payment of principal of and premium, if any, and interest on the Local Bond. Principal of, and premium, if any, and interest on the Local Bond are payable solely from the Revenues and other sources pledged thereto in the Financing Agreement and this Bond Resolution. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the Authority, the City of Roanoke, Virginia, the City of Salem, Virginia, the Counties of Botetourt and Roanoke, Virginia are pledged to the payment of the principal of or premium, if any, or interest on the Local Bond or other costs incident to it. The issuance of the Local Bond shall not directly or indirectly or contingently obligate the Commonwealth of Virginia the City or Roanoke, Virginia, the City of Salem, Virginia, the Counties of Botetourt and Roanoke, Virginia, or any other county, city, town or other subdivision of the Commonwealth of Virginia to levy any taxes whatever therefor or to make any appropriation for its payment except from the

Revenues and any other funds or property pledged for such purpose under the provisions of the Bond Resolution or the Financing Agreement.

Pursuant to Virginia Code § 15.2-5431.28 of the Act, all moneys received pursuant to the Act shall be deemed to be trust funds, to be held and applied solely as provided in the Act. Any officer to whom, or any bank, trust company or fiscal agent to which, such moneys are paid shall act as trustee of such moneys and shall hold and apply the same for purposes provided in the Act, subject to such regulations as such resolution or trust agreement may provide.

Reference is made to the Bond Resolution and the Financing Agreement and all amendments and supplements to them for a description of the provisions, among others, with respect to the nature and extent of the security for the Local Bond, the Authority's rights, duties and obligations, the rights of the registered owners of the Local Bond and the terms upon which the Local Bond is issued and secured.

7. Preparation of Printed Local Bond. The Authority shall initially issue the Local Bond in typewritten form. Upon request of the registered owner and upon presentation of the Local Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Local Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Local Bond in typewritten form, in denominations of \$5,000 and multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Local Bond may be executed by manual or facsimile signature of the Chair or Vice Chair and the Authority's seal affixed thereto and attested by the Secretary of the Authority; provided, however, that if both such signatures are facsimiles, no Local Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Local Bond surrendered in any such exchange shall be canceled.

8. Registration and Transfer of the Local Bond. The Authority appoints the Authority Treasurer as paying agent and registrar (the "Registrar") for the Local Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Local Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new Local Bond or Local Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, or interest and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each principal payment date.

9. Mutilated, Lost or Destroyed Local Bond. If the Local Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new Local Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Local Bond or in lieu of and in substitution for such lost or destroyed Local Bond; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith

and, in the case of a lost or destroyed Local Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such Local Bond was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

10. Preparation and Delivery of Local Bond. The Chair or Vice Chair and the Secretary of the Authority are authorized and directed to take all proper steps to have the Local Bond prepared and executed in accordance with its terms and to deliver it to VRA as the purchaser thereof upon receipt of the purchase price from VRA as set forth in the Financing Agreement.

11. [Intentionally Left Blank]

12. [Intentionally Left Blank]

13. [Intentionally Left Blank]

14. Official Statement. The Authority authorizes and consents to the inclusion of information with respect to the Authority contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds.

15. [Intentionally Left Blank]

16. [Intentionally Left Blank]

17. Official Intent to Reimburse. The Authority intends that the adoption of this Resolution confirms the "official intent" within the meaning of Treasury regulations section 1.150-2 promulgated under the Code.

18. All Other Action Approved. All other actions of Authority officials in conformity with the purposes and intent of this Bond Resolution and in furtherance of the issuance and sale of the Local Bond are ratified, approved and confirmed. The Authority officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Local Bond pursuant to this Bond Resolution and the Financing Agreement.

19. Effective Date. This Bond Resolution shall take effect immediately.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Members Absent _____
Votes For _____
Votes Against _____
Abstentions _____

CERTIFICATION

The undersigned secretary of the Roanoke Valley Broadband Authority does hereby certify that the foregoing is a true, complete and correct Resolution adopted by a vote of a majority of the Members of the Roanoke Valley Broadband Authority, present at a regular meeting of the Members of the Roanoke Valley Broadband Authority duly called and held June 10, 2016 at which a quorum was present and acting throughout, and that the same has not been amended or rescinded and is in full force and effect as of the date of this certification, June _____, 2016.

(SEAL)

Matt Miller, Assistant Secretary,
Roanoke Valley Broadband Authority

EXHIBIT A TO BOND RESOLUTION
[form of bond]

Interest in this bond is intended by the issuer thereof to be included in gross income for federal income tax purposes.

**REGISTERED
R-1**

REGISTERED

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
ROANOKE VALLEY BROADBAND AUTHORITY [\$\$\$] TAXABLE BROADBAND INFRASTRUCTURE
REVENUE BOND, SERIES 2016**

REGISTERED OWNER: VIRGINIA RESOURCES AUTHORITY

PRINCIPAL AMOUNT: [] AND 00/100 DOLLARS ([\$\$\$])

ROANOKE VALLEY BROADBAND AUTHORITY, a public body politic and corporate of the Commonwealth of Virginia (the "Authority"), for value received, promises to pay, solely from the revenues and other property pledged to the payment of this bond, to the registered owner of this Bond or legal representative, the principal amount stated above, together with interest thereon at the annual rates set forth in Schedule I below.

Principal of this bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule I attached hereto. Interest on this bond shall be payable on each October 1, commencing October 1, 2016, (interest only) computed on the basis of a 360-day year of twelve 30-day months at the rates set forth in Schedule I.

If any installment of principal of or interest on this Bond is not paid to the registered owner of this Bond within ten days after its due date, the Authority shall pay to the registered owner of this Bond a late payment charge in an amount equal to five percent (5%) of the overdue installment.

The principal of and interest on this Bond is payable in lawful money of the United States.

Unless otherwise defined, each capitalized term in this Bond shall have the same meaning given it in the Financing Agreement.

The issuance of this Bond has been duly authorized by the Board of the Authority by a resolution adopted June 10, 2016 (the "Bond Resolution"), under the Virginia Wireless Service Authorities Act, Chapter 54.1 of Title 15.2 of the Code of Virginia, 1950. This Bond is issued pursuant to the terms of the Bond Resolution and a Local Bond Sale and Financing Agreement to be dated as of a date to be agreed between the Authority and VRA (the "Financing Agreement"), between the Authority and the Virginia Resources Authority ("VRA"), to evidence a loan by VRA to the Authority. Roanoke County, Virginia has entered into support agreement dated as _____ (the "Support Agreement") pursuant to which it has made certain

undertakings related the Bond. The Authority will use the proceeds of the Bond, along with other available funds, if any, to finance the Project and to pay the issuance costs of the Local Bond.

(a) If any failure of the Authority to pay all or any portion of any required payment of the principal of or premium, if any, or interest on this Bond results in a withdrawal from or a drawing on any VRA Reserve, the interest rates applicable to this Bond shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Authority's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Authority's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Authority's obligation to pay Supplemental Interest shall terminate on the date on which the Authority remedies such failure to pay by making all payments required but outstanding since the date of such failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in this Bond, VRA shall deliver to the Authority a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods. This Bond is a limited obligation of the Authority and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the revenues (as more particularly defined in the Financing Agreement, the "Revenues") derived by the Authority from the ownership and operation of its broadband fiber system (as more particularly defined in the Financing Agreement, the "System"). **NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND CITY OF ROANOKE, VIRGINIA, CITY OF SALEM, VIRGINIA, THE COUNTIES OF BOTETOURT AND ROANOKE, VIRGINIA SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS BOND OR THE OTHER COSTS INCIDENT TO IT EXCEPT FROM THE REVENUES AND ANY OTHER MONEY OR PROPERTY PLEDGED FOR SUCH PURPOSE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND CITY OF ROANOKE, VIRGINIA, CITY OF SALEM, VIRGINIA, THE COUNTIES OF BOTETOURT AND ROANOKE, VIRGINIA ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT TO IT. THE ISSUANCE OF THIS BOND DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND CITY OF ROANOKE, VIRGINIA, CITY OF SALEM, VIRGINIA, THE COUNTIES OF BOTETOURT AND ROANOKE, VIRGINIA TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THIS BOND.**

The obligations of the Authority under this Bond shall terminate when all amounts due and to become due pursuant to this Bond and the Financing Agreement have been paid in full.

The Authority may issue additional bonds ranking on parity with this Bond, with respect to the pledge of the Revenues of the System under the terms of the Financing Agreement.

This Bond is subject to prepayment in accordance with the terms of the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of this Bond may be declared immediately due and payable by the registered owner of this Bond by written notice to the Authority.

This Bond may be transferred only by an assignment duly executed by the registered owner or such owner's attorney or legal representative in form satisfactory to the Authority Treasurer, as registrar. Such transfer shall be made in the registration books kept by the Authority Treasurer, as registrar, upon presentation and surrender of this Bond.

It is certified and recited that all acts, conditions, and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist, or be performed precedent to the issuance of this Bond have happened, exist, or been performed in due time, form, and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE
FOLLOWS]

IN WITNESS WHEREOF, the Roanoke Valley Broadband Authority has caused this Bond to be signed by the Chair or Vice Chair and the Authority's seal to be affixed and attested by the signature of the Secretary.

[SEAL]

ROANOKE VALLEY BROADBAND AUTHORITY

By: _____
Kevin S. Boggess, Chair

ATTEST:

Matt Miller, Assistant Secretary

[SIGNATURE PAGE TO ROANOKE VALLEY BROADBAND AUTHORITY
[\$***] TAXABLE BROADBAND INFRASTRUCTURE REVENUE BOND, SERIES 2016]

[SAMPLE ASSIGNMENT FORM FOR ROANOKE VALLEY BROADBAND AUTHORITY BROADBAND
INFRASTRUCTURE REVENUE BOND, SERIES 2016]
ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE.)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE: _____

this Bond and does irrevocably constitute and appoint
_____, attorney, to transfer this Bond on the books
kept for its registration, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution such as a
Commercial Bank, Trust Company,
Securities Broker/Dealer, Credit Union or
Savings Association which is a member of a
medallion program approved by The
Securities Transfer Association, Inc.)

Registered Owner
(NOTICE: The signature above must
correspond with the name of the
Registered Owner as it appears on the
books kept for registration of this Bond in
every particular, without alteration or
change.)