

Industrial Development Authority of the City of Lexington, Virginia

Wednesday, October 17, 2018, 5:00 p.m.

300 East Washington Street

City Hall Conference Room (Second Floor)

1. Call to Order
2. Consider proposal from Daniel R. Lauro, BotkinRose, PLC as IDA Bond Counsel*
3. Authorization to develop IDA policies and procedures for conduit financing and IDA member training
4. IDA minutes
5. Launch Lex Update
6. Consider dates for the next IDA meeting
7. Adjourn

BOTKINROSE^{PLC}

ATTORNEYS AT LAW

Mark W. Botkin
Lindsay C. Brubaker
T. Joel Francis
Douglas L. Guynn *
Daniel R. Lauro
Matthew W. Light
Steven C. Rhodes
Kevin M. Rose +
Michael W. Sharp
Ryan P. Waid ***

* Of Counsel
+ Also Admitted in West Virginia
++ Also Admitted in Washington, D.C.

Daniel R. Lauro

3190 Peoples Drive
Harrisonburg, Virginia 22801

540.437.0019 (Firm Tel.)
540.437.0022 (Firm Fax)
540.437.7442 (Direct)

dlauro@botkinrose.com

www.botkinrose.com

October 11, 2018

City of Lexington, Virginia Industrial Development Authority
c/o Noah Simon, City Manager
300 E. Washington Street
Lexington, Virginia 24450

Re: Request for IDA Counsel Services

Dear Mr. Simon:

I am pleased to provide the requested proposal regarding legal counsel services for the City of Lexington, Virginia Industrial Development Authority ("IDA").

As you know, BotkinRose PLC serves as bond counsel to the City of Lexington ("City"), and we would value the opportunity to also serve the IDA.

1. Firm Information.

Our law firm is located in Harrisonburg, Virginia. We are blessed to live and work in the Shenandoah Valley, and appreciate our professional responsibilities to serve clients not only as legal technicians, but as counselors.

BotkinRose PLC is comprised of ten (10) attorneys whose practices range from representation of individuals to small family enterprises, business entities and nonprofit organizations, and many local government and quasi-governmental entities throughout Virginia.

In all cases, we appreciate the opportunity to serve clients and remain mindful of our duty to be good stewards of our clients' dollars to pay for legal services.

2. Individual Qualifications of Bond Counsel Representative – Daniel R. Lauro.

In connection with our firm's practice as bond counsel, I serve governmental issuers, governmental conduit issuers (e.g., IDAs/EDAs), and conduit borrowers (e.g., qualified 501(c)3 entities and qualified small issue manufacturers). I represent numerous IDAs and EDAs across Virginia in bond financing and economic development matters. I have worked extensively with the various federally-sponsored financing programs through Rural Development (USDA) and Virginia Resources Authority (VRA) financing and grant programs. I have also served as bond counsel in connection with Virginia Public School Authority (VPSA) financings and commercial bank and other institutional financings over the years. I have also worked with IDAs and EDAs to develop economic development grant programs.

In particular to my qualifications as a local government bond attorney, I am a member of the Virginia State Bar and maintain membership in good standing in the National Association of Bond Lawyers (NABL) and Virginia Local Government Attorneys (Virginia LGA). I am "Red Book" listed in the Bond Buyers Municipal Marketplace listing as a nationally recognized bond counsel, and I attend the NABL annual national conferences for continuing education that is particularized to our firm's bond law practice. In addition, I have years of litigation experience.

As described above, the additional expertise of the lawyers in our law firm provides helpful support for our firm's bond counsel services, as may be needed from time to time. Our firm's bond paralegal, in particular, is a critical component to our success to provide competent and efficient bond counsel services to our clients. Further, our law firm maintains appropriate legal liability insurance for all of our lawyers, and such policy includes appropriate coverage for bond counsel client matters and would cover our work for the IDA.

I am the key individual at BotkinRose PLC who would provide legal counsel to the IDA. In such capacity, I am responsible to coordinate work by any additional attorneys in our firm and also any staff assignments that relate to IDA work, if necessary. Accordingly, the IDA and City representatives, including the City Attorney, should feel free at all times to contact me directly with any questions or concerns.

3. Scope of Services. As legal counsel to the IDA, I would serve as legal counsel to the IDA when the IDA is acting as a conduit issuer in conduit bond financings. As IDA Counsel in a conduit bond financing, I would be responsible to coordinate legal requirements with the IDA, City, and representatives of the IDA and City, including public notices, public meetings, and governing body approvals, conduct legal due diligence, review documents prepared by the conduit borrower's bond counsel, travel and attend any IDA meetings, if requested, and render our law firm's opinion regarding IDA matters at closing. This includes my availability, whether by phone, electronic correspondence, and/or attendance in person, to the IDA, City, and its representatives to provide

guidance and lend expertise during the entire conduit financing process. In addition to conduit financings, I would provide legal services to the IDA on an as-requested basis. For example, such tasks could include drafting a Borrower Term Sheet, drafting Post-Issuance Tax Compliance Procedures, and advising the IDA related to economic development matters, such as grant programs.

4. **Legal Fees.** Our legal counsel services are billed at our normal hourly rates for the attorneys at BotkinRose PLC, which vary in range up to \$295 per hour for all time expended by counsel in connection with the representation, including time traveling to meetings. All rates are subject to periodic increases which generally occur on an annual basis at the start of a new year. In addition, our firm bills for actual out-of-pocket expenses, such as postage, overnight delivery charges, mileage (if required), and costs of transcripts. My current hourly rate is \$295 per hour.

For work on behalf of the IDA in a conduit financing, it is customary for the conduit borrower to pay the IDA counsel fees, particularly if such a requirement is listed in a Borrower Term Sheet of the IDA. As you requested, I would estimate \$500 or less to draft a Borrower Term Sheet and \$1,500 or less to draft Post-Issuance Tax Compliance Procedures.

Thank you for your review of the information in this proposal letter and for any consideration to serve as legal counsel to the IDA. I would welcome the opportunity to work with the IDA on important conduit bond financings and economic development matters.

Sincerely,



Daniel R. Lauro