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INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT entered into this 1st day of February, 2000 (the "Agreement"), by and between **THE CITY OF RICHMOND, VIRGINIA**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("Richmond"); **THE COUNTY OF CHESTERFIELD, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Chesterfield"); **THE COUNTY OF HANOVER, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Hanover"); and **THE COUNTY OF HENRICO, VIRGINIA**, a political subdivision of the Commonwealth of Virginia ("Henrico");

WITNESSETH:

WHEREAS, pursuant to the Public Recreational Facilities Authorities Act (Chapter 56, Title 15.2, Code of Virginia of 1950, as amended) (the "Act"), Richmond, Chesterfield, Hanover and Henrico (each a "Participating Jurisdiction" and collectively, the "Participating Jurisdictions") have created the Greater Richmond Convention Center Authority (the "Authority") for the purpose, among others, of owning and operating the Greater Richmond Convention Center (the "Center") located in the City of Richmond;

WHEREAS, pursuant to the provisions of Section 58.1 - 3819 *et seq.* of the Code of Virginia of 1950, as amended (the "Code"), and Section 2.02 of Chapter 116 of the Acts of the Assembly of 1948, as amended and reenacted by Chapter 711 of the Acts of Assembly of 1998 and Article VII of the Code of the City of Richmond, Virginia (collectively, the "Hotel Tax Legislation"), the Participating Jurisdictions are authorized to levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds and other facilities offering guestrooms rented out for continuous occupancy for fewer than thirty consecutive days (collectively referred to as the "Hotel Tax") in a maximum aggregate amount equal to eight percent (8%) of the charge for the occupancy of any room or space occupied;

WHEREAS, each Participating Jurisdiction has by appropriate ordinance begun to levy the Hotel Tax and has agreed to use the revenues collected from the Hotel Tax for the benefit of the Center;

WHEREAS, pursuant to the terms of an Indenture of Trust dated as of February 1, 2000 (the "Indenture"), between the Authority and Norwest Bank Minnesota, N.A., Richmond, Virginia, as trustee (the "Trustee"), the Authority will issue its Hotel Tax Revenue Bonds (Convention Center Expansion Project), Series 2000 (the "Bonds"), the proceeds of which will be used to acquire, construct, reconstruct, expand and equip the Center;

WHEREAS, pursuant to the terms of a Hotel Tax Payment Agreement dated as of February 1, 2000 (the "Hotel Tax Payment Agreement"), each Participating Jurisdiction has agreed, subject to the appropriation by its respective governing body of sufficient funds for such purpose, to transfer its respective Tax Payments (as hereinafter defined) to the Trustee for the account of the Authority;

WHEREAS, the Indenture establishes a Residual Fund and provides that any moneys on deposit in the Residual Fund at the end of each fiscal year of the Authority will be transferred, subject to the approval of the Authority, to the Fiscal Agent (as hereinafter defined) under this Agreement to be distributed to the Participating Jurisdictions as set forth in this Agreement;

WHEREAS, each Participating Jurisdiction intends that its respective Tax Payments will be sufficient to fund its Allocated Share (as hereinafter defined); and

WHEREAS, each Participating Jurisdiction has agreed that, to the extent its annual Tax Payments are less than its Allocated Share, it will, subject to the appropriation of its governing body of sufficient funds for such purpose, reimburse the other Participating Jurisdictions to the extent that their annual Tax Payments (less any prior disbursements from the Residual Fund) exceed their respective Allocated Shares;

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Definitions. Unless otherwise defined in this Agreement, all capitalized terms shall have the meanings set forth in the Indenture. In addition, the following capitalized terms used herein shall have the following meanings, unless the context otherwise requires:

"Allocated Share" shall mean a certain percentage of the Total Annual Costs of the Authority and which have been determined by the Participating Jurisdictions to be, respectively, 50% for Richmond, 35% for Henrico, 13% for Chesterfield and 2% for Hanover.

"Tax Payments" shall mean the amounts equal to the Hotel Tax revenues collected by a Participating Jurisdiction and transferred to the Trustee for the account of the Authority pursuant to the terms of the Hotel Tax Payment Agreement.

"Total Annual Costs of the Authority" shall mean for each fiscal year of the Authority an amount equal to the difference between (x) the sum of (i) the aggregate amount of Operating Expenses of the Authority, (ii) the aggregate amount deposited to the Bond Fund, the Debt Service Reserve Fund, the Subordinated Debt Fund, the Operating Reserve Fund and the Renewal and Replacement Fund and (y) the sum of (i) the aggregate amount of revenues derived from the use and operation of the Center and (ii) the aggregate amount of investment earnings on the funds and accounts established under the Indenture.

2. Appointment of Fiscal Agent. There shall be appointed by the Participating Jurisdictions a fiscal agent (the "Fiscal Agent") under this Agreement, to receive, hold, invest and disburse the moneys to be paid to it pursuant to this Agreement and to perform certain other functions, all as hereinafter provided. The Participating Jurisdictions hereby appoint Chesterfield to serve as the initial Fiscal Agent. By executing and delivering the Acceptance Certificate attached to this Agreement, Chesterfield accepts the duties and obligations provided herein for the Fiscal Agent, but only upon the terms and conditions herein set forth.

3. Residual Tax Payment Fund. There is hereby created and established with the Fiscal Agent a special fund designated as the "Residual Tax Payment Fund," to be held by the Fiscal Agent as a trust fund for the benefit of the Participating Jurisdictions, separate and apart from all other funds and moneys held by the Fiscal Agent. The Fiscal Agent shall deposit to such Fund any moneys transferred by the Authority pursuant to the provisions of Section [509] of the Indenture and shall administer such Fund as expressly provided hereunder.

4. First Distribution of Residual Fund Moneys. The Fiscal Agent hereby agrees that it will disburse to the Participating Jurisdictions moneys deposited to the Residual Tax Payment Fund within 15 days of receipt, in the following manner:

(a) to Richmond, an amount equal to 25% of the aggregate amount of Tax Payments made by Richmond during the preceding fiscal year of the Authority;

(b) to Chesterfield, an amount equal to 25% of the aggregate amount of Tax Payments made by Chesterfield during the preceding fiscal year of the Authority;

(c) to Hanover, an amount equal to 25% of the aggregate amount of Tax Payments made by Hanover during the preceding fiscal year of the Authority; and

(d) to Henrico, an amount equal to 25% of the aggregate amount of Tax Payments made by Henrico during the preceding fiscal year of the Authority;

provided, however, that, commencing July 1, 2001 (i) no payments shall be made to a Participating Jurisdiction if, during the preceding fiscal year of the Authority, the Tax Payments made by such Participating Jurisdiction were less than its Allocated Share and (ii) no payments shall be made to a Participating Jurisdiction if there is a cumulative "due to" balance owed by such Participating Jurisdiction under Section 6.

Notwithstanding the preceding provisions of this Section 4, if at any time the Fiscal Agent is required to make the disbursements set forth above, and the Fiscal Agent holds insufficient moneys to make such disbursements, the Fiscal Agent shall make the disbursements from moneys available for such purpose in accordance with the following formula: $(A) \times [(B)/(C)] = (D)$, where

"(A)" is the amount on deposit in the Residual Tax Payment Fund;

"(B)" is the total amount of Tax Payments made by a particular Participating Jurisdiction during the preceding fiscal year of the Authority;

"(C)" is the total amount of Tax Payments made by the Participating Jurisdictions during the preceding fiscal year of the Authority entitled to payments pursuant to the preceding provisions of this Section 4; and

"(D)" is the amount of Residual Tax Payment Fund moneys to be disbursed to the particular Participating Jurisdiction.

5. Second Distribution of Residual Fund Moneys. If, after making all the necessary transfers pursuant to Section 4, the Fiscal Agent holds moneys in the Residual Tax Payment Fund, the Fiscal Agent shall immediately disburse to the Participating Jurisdictions the remaining moneys on deposit in such fund according to the following formula: $(A) \times [(B)/(C)] = (D)$, where

“(A)” is the amount of remaining moneys on deposit in the Residual Tax Payment Fund;

“(B)” is the cumulative total amount of Tax Payments made by a particular Participating Jurisdiction in excess of its Allocated Share for the period commencing July 1, 200[2], through the end of the preceding fiscal year of the Authority less the aggregate amount of any prior payments made to such Participating Jurisdiction pursuant to Section 4 (including any payments made in the then current fiscal year) and this Section 5;

“(C)” is the cumulative total amount of Tax Payments made by all Participating Jurisdictions in excess of their respective Allocated Shares for the period commencing July 1, 200[2], through the end of the preceding fiscal year of the Authority less the aggregate amount of any prior payments made to all Participating Jurisdictions pursuant to Section 4 (including any payments made in the then current fiscal year) and this Section 5; and

“(D)” is the amount of remaining moneys on deposit in the Residual Tax Payment Fund to be distributed to the particular Participating Jurisdiction;

provided, however, that, to the extent a Participating Jurisdiction owes a cumulative “due to” payment under Section 6, any amounts that would be payable to such Participating Jurisdiction under this Section 5 shall instead be applied to, and credited against, any such cumulative “due to” payment.

6. “Due To, Due From” Payment Obligations. Each Participating Jurisdiction agrees that, to the extent its annual Tax Payments do not meet or exceed its Allocated Share, it will, subject to the appropriation of its governing body of sufficient funds for such purpose, reimburse the other Participating Jurisdictions the amount of such deficiency in accordance with the provisions of this Section.

(a) Calculation of “Due To, Due From” Amounts. (i) From the information supplied by the Authority, the Fiscal Agent shall record the amount of total Tax Payments made by each Participating Jurisdiction during the preceding fiscal year of the Authority, including the incremental amount of such Tax Payments that is more than or less than the respective Allocated Share for such Participating Jurisdiction. The Fiscal Agent shall calculate the “due to, due from” amounts for each Participating Jurisdiction in accordance with the following formula: $(A) - [(B) - (C)] = (D)$, where

“(A)” is the cumulative total amount of Tax Payments made by a particular Participating Jurisdiction;

"(B)" is the cumulative dollar amount of a particular Participating Jurisdiction's Allocated Share;

"(C)" is the cumulative amount of any moneys disbursed to such Participating Jurisdiction pursuant to Sections 4 and 5; and

"(D)" is the "Due To, Due From" amount for such Participating Jurisdiction whereby a positive amount signifies the aggregate amounts "due from" other Participating Jurisdictions to such Participating Jurisdiction and a negative amount signifies the aggregate amounts "due to" the other Participating Jurisdictions from such Participating Jurisdiction.

(ii) The Fiscal Agent shall send to the Participating Jurisdictions within 45 days after the end of each fiscal year of the Authority a statement detailing such information.

(b) *Payment of "Due To, Due From" Amounts.* (i) Commencing in the year in which the statement provided by the Fiscal Agent under Section 6(a)(ii) reflects that the cumulative amount of "due to" payments owed by a particular Participating Jurisdiction exceeds \$1.5 million, such Participating Jurisdiction shall, subject to the provisions of Section 6(b)(iii), pay such amount of the cumulative "due to" balance that is in excess of \$1.5 million. Any "due to" payment appropriated by a Participating Jurisdiction pursuant to the provisions of this Section 6 shall be paid to the Fiscal Agent prior to December 1 of the fiscal year to which such appropriation relates.

(ii) The Fiscal Agent shall within 10 days after receipt distribute such "due to" payment pro rata among the Participating Jurisdictions to which such payment is due, as calculated under Section 6(a)(i) and reflected on the statement provided by the Fiscal Agent under Section 6(a)(ii).

(iii) Notwithstanding anything in this Agreement to the contrary, the obligation of a Participating Jurisdiction to make any "due to" payments hereunder shall be subject to and dependent upon appropriations being made from time to time by the respective governing body of such Participating Jurisdiction for such purpose; provided, however, that within 60 days after receipt of the statement provided by the Fiscal Agent pursuant to Section 6(a)(ii), the City Manager, County Administrator or County Manager, as appropriate, shall use his best efforts to introduce at a regularly scheduled meeting of the governing body a resolution or ordinance that amends, if necessary, the budget of such Participating Jurisdiction for the then current fiscal year in such a manner to permit an appropriation of the "due to" payment owed by such Participating Jurisdiction under Section 6(b)(i).

(c) *Preliminary Budgeting of "Due To, Due From" Amounts.* (i) Based on the Authority's budget for the then current fiscal year, the Fiscal Agent shall calculate, in accordance with the formula set forth in Section 6(a)(i), the projected "due to, due from" amounts of the Participating Jurisdictions payable in the immediately succeeding fiscal year. Contemporaneously with the report provided by the Fiscal Agent in Section 6(a)(ii), the Fiscal

Agent shall send to each Participating Jurisdiction a report detailing the calculations of the projected "due to, due from" amounts of all Participating Jurisdictions for the immediately succeeding fiscal year.

(ii) Based on the report provided by the Fiscal Agent in Section 6(c)(i), the City Manager, County Administrator or County Manager, as appropriate, of each Participating Jurisdiction projected to owe a "due to" payment during the immediately succeeding fiscal year shall include in the proposed budget for such fiscal year a payment to the Fiscal Agent in an amount equal to such "due to" payment.

7. Accounting by Fiscal Agent. Concurrently with each disbursement made by the Fiscal Agent to the Participating Jurisdictions pursuant to Sections 4, 5 and 6 above, the Fiscal Agent shall send to each Participating Jurisdiction a detailed accounting of all disbursements made pursuant to such Sections.

8. Term of Agreement. This Agreement shall remain in full force and effect until the Hotel Tax Payment Agreement is terminated pursuant to its terms.

9. Amendments. This Agreement may be amended, supplemented or modified only in a writing consented to by all parties hereto.

10. Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

11. Severability. If any clause, provision or section of this Agreement shall be held to be illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement.

12. Notices. Until otherwise provided by any of the parties hereto, 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 mailed by first class registered or certified mail, postage prepaid, addressed:

(a) if to Richmond, at 900 East Broad Street, Richmond, Virginia 23219 (Attention: City Manager);

(b) if to Chesterfield or the Fiscal Agent, at P.O. Box 40, Chesterfield, Virginia 23832 (Attention: County Administrator);

(c) if to Hanover, at 7497 County Complex Road, P.O. Box 470, Hanover, Virginia 23069 (Attention: County Administrator); and

(d) if to Henrico, at 4301 Parham Road, Richmond, Virginia 23238 (Attention: County Manager).

Any Participating Jurisdiction may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent or persons to whose attention the same shall be directed.


12. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

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

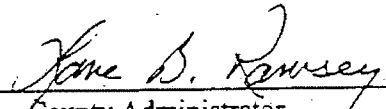
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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and effective as of the date first written above by their duly authorized representatives.

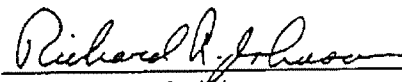
CITY OF RICHMOND, VIRGINIA

By: 
City Manager

COUNTY OF CHESTERFIELD, VIRGINIA

By: 
County Administrator

COUNTY OF HANOVER, VIRGINIA

By: 
County Administrator

COUNTY OF HENRICO, VIRGINIA

By: 
County Manager

ACCEPTANCE CERTIFICATE

The undersigned hereby accepts and covenants to carry out the duties and obligations imposed upon the Fiscal Agent by the provisions of the preceding Agreement.

COUNTY OF CHESTERFIELD, VIRGINIA,
as the Fiscal Agent under this Agreement

By: Walter B. Ramsey
County Administrator