



*Sheryl D. Bailey, Ph.D.*  
Executive Director

October 9, 2009

**City of Portsmouth**  
**ATTN: Kenneth L. Chandler**  
City Manager  
801 Crawford Street, 2<sup>nd</sup> Floor  
Portsmouth, VA 23705

**Re: Virginia Water Supply Revolving Fund / American Recovery and Reinvestment Act  
City of Portsmouth  
ARRA-8-10 (Prentis Park Waterline Replacement Project)**

Dear Mr.Chandler:

Virginia Resources Authority (the "Authority") is pleased to advise you that the Virginia Department of Health (the "Department of Health") has authorized funding from the Virginia Water Supply Revolving Fund and the American Recovery and Reinvestment Act of 2009 ("ARRA") programs to the City of Portsmouth (the "City"). The funding consists of an interest-free principal repayment loan in the amount of \$2,404,125 (the "Principal Repayment Loan") for a term of 30 years and a principal forgiveness loan in the amount of \$2,404,125 (the "Principal Forgiveness Loan") for a total funding package of \$4,808,250.

The total funding package will be used to finance the replacement of aging waterlines in the Prentis Park Neighborhood (the "Project"). The Authority offers to extend to the City the Principal Repayment Loan as stated, subject to the satisfaction of the conditions to purchase the City's Local Bond as set forth in the enclosed Financing Agreement (Sections 2.1, 3.1, and 3.2). The Authority offers to extend to the City the Principal Forgiveness Loan as stated, subject to the satisfaction of the conditions set forth in the enclosed Funding Agreement.

It is understood that the Principal Repayment Loan will be secured by a pledge of the City's full faith and credit.

Loan closings and the disbursement of funds thereunder shall be subject to the receipt of requisite funding from the United States Environmental Protection Agency of the Capitalization Grant under the ARRA, and shall also remain subject to satisfaction of any condition prerequisite thereto established by the Department of Health. The City shall comply in all respects with all applicable federal, state, and local laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof, including, but not limited to, the federal "crosscutting" requirements identified in the attached Schedule A and the ARRA contract insert &

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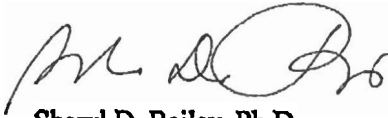
procedures guidelines (as defined in the Financing Agreement and Funding Agreement). Where the Authority determines noncompliance of such requirements, the issue shall be referred to the proper governmental authority or agency for consultation or enforcement action.

The Authority reserves the right to withdraw or alter the terms of this commitment if, between the date of the City's loan application and the date of closing, the City incurs any debt or its financial condition changes in any way deemed material by the Authority in its sole discretion.

If you have any questions concerning the foregoing, please call Program Manager, Shawn Crumlish or Fiscal & Administrative Manager, Josie Taylor-Soltys at 804-644-3100. **If you concur with the terms and conditions herein stated, please acknowledge your acceptance thereof by signing below and returning to me.** Retain a copy for your records.


If the loan closings shall not have occurred by February 15, 2010, it is understood that the Authority reserves the right to modify any of the conditions of this commitment or to withdraw the funding offer.

Very truly yours,



Sheryl D. Bailey, Ph.D.

The foregoing terms and conditions are hereby acknowledged and accepted the 16<sup>th</sup> day of October, 2009.

By:   
City Manager

Attachment - Schedule A

c: Megan Gilliland, Esquire  
Suzanne Long, Esquire

**SCHEDULE A**  
**FEDERAL CROSS-CUTTING REQUIREMENTS**

**ENVIRONMENTAL AUTHORITIES:**

Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended.  
Clean Air Act, Pub. L. 84-159, as amended.  
Coastal Barrier Resources Act, Pub. L. 97-348.  
Coastal Zone Management Act, Pub. L. 92-583, as amended.  
Endangered Species Act, Pub. L. 93-205, as amended.  
Environmental Justice, Executive Order 12898.  
Floodplain Management, Executive Order 11988 as amended by Executive Order 12148.  
Protection of Wetlands, Executive Order 11990.  
Farmland Protection Policy Act, Pub. L. 97-98.  
Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended.  
National Historic Preservation Act of 1966, Pub. L. 89-665, as amended.  
Safe Drinking Water Act, Pub. L. 93-523, as amended.  
Wild and Scenic Rivers Act, Pub. L. 90-542, as amended.

**ECONOMIC AND MISCELLANEOUS AUTHORITIES:**

Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372.  
Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.  
Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended.  
Debarment and Suspension, Executive Order 12549.

**SOCIAL LEGISLATION:**

Age Discrimination Act of 1975, Pub. L. 94-135.  
Title IV of the Civil Rights Act of 1964, Pub. L. 88-352.<sup>1</sup>  
Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act).  
Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250).  
The Drug-Free Workplace Act of 1988, Pub. L. 100-690 (applies only to the capitalization grant recipient).  
Equal Employment Opportunity, Executive Order 11246.  
Women's and Minority Business Enterprise, Executive Orders 11625, 12138 and 12432.  
Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590.  
Anti-Lobbying Provisions (40 CFR Part 30) [applies only to capitalization grant recipients].

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<sup>1</sup> The Civil Rights Act and related anti-discrimination statutes apply to all the operations of the SRF program.