

## A/P Check Listing

Vendor Range - 1 & 1 INTERNET INC' - XEROX CORPORATION  
Date From - 7/11/2014 Date To - 8/14/2014

Grayson County  
08/04/2014 08:17 PM

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Check Number	Bank	Vendor	Date	Amount
26050	1	US DEPT OF TREASURY	07/18/2014	\$116.00
26051	1	SCARLETT MCGRADY	07/21/2014	\$1,458.19
26052	1	1 POINT COMMUNICATIONS	07/23/2014	\$448.84
26053	1	ADAMS BUILDING SUPPLY	07/23/2014	\$10.54
26054	1	APPALACHIAN POWER	07/23/2014	\$1,536.15
26055	1	AUDITOR OF PUBLIC ACCOUNTS	07/23/2014	\$3,041.19
26056	1	B. K. T., INC	07/23/2014	\$195.50
26057	1	BRCEDA	07/23/2014	\$38,047.25
26058	1	CARTER MACHINERY CO., INC.	07/23/2014	\$491.24
26059	1	CINTAS CORP, #532	07/23/2014	\$308.75
26060	1	CENTURY LINK	07/23/2014	\$1,388.38
26061	1	COMCAST CORPORATION	07/23/2014	\$160.39
26062	1	COX SNAX SALES, LLC	07/23/2014	\$793.70
26063	1	THE DECLARATION	07/23/2014	\$323.36
26064	1	DODSON PEST CONTROL	07/23/2014	\$35.00
26065	1	DS WRIGHT INSURANCE AGENCY	07/23/2014	\$167,926.00
26066	1	ELECTRONIC SYSTEMS	07/23/2014	\$57.60
26067	1	FLORES & ASSOCIATES, LLC	07/23/2014	\$21.45
26068	1	FRIES RECREATION CENTER	07/23/2014	\$1,083.33
26069	1	CITY OF GALAX	07/23/2014	\$13,505.71
26070	1	GALLS, LLC	07/23/2014	\$60.95
26071	1	LEESA GAYHEART	07/23/2014	\$10.00
26072	1	GRAYSON CO SCHOOL BOARD	07/23/2014	\$3,577.21
26073	1	GRAYSON CO SHERIFF'S OFFICE	07/23/2014	\$107.27
26074	1	GALAX GRAYSON EMS	07/23/2014	\$14,294.99
26075	1	GRAYSON CO TREASURER'S OFFICE	07/23/2014	\$500.00
26076	1	H & R GARAGE	07/23/2014	\$65.00
26077	1	R. KELLY HAGA	07/23/2014	\$107.52
26078	1	HAYNES PORTABLE TOILETS & SEPTIC	07/23/2014	\$150.00
26079	1	HICOK,FERN,BROWN & GARCIA CPAS	07/23/2014	\$6,000.00
26080	1	HILL STUDIO PC	07/23/2014	\$13,977.92
26081	1	SUSAN HODGES	07/23/2014	\$397.60
26082	1	TOWN OF INDEPENDENCE	07/23/2014	\$1,291.30
26083	1	INTERSTATE ALL BATTERY CENTER	07/23/2014	\$371.79
26084	1	LEONARD'S COPY SYSTEMS, INC	07/23/2014	\$463.72
26085	1	MATTHEW BENDER & CO, INC	07/23/2014	\$285.45

26086	1	- Lingo Networks	07/23/2014	\$169.91
26087	1	- MERCER DAY REPORT CENTER	07/23/2014	\$50.00
26088	1	- MODERN IMPRESSIONS	07/23/2014	\$65.61
26089	1	- MT ROGERS COMMUNITY SERVICE BD	07/23/2014	\$12,750.00
26090	1	- MT ROGERS DEVELOPMENT PARTNER	07/23/2014	\$15,533.00
26091	1	- MT ROGERS PLANNING DIST COMM	07/23/2014	\$12,920.00
26092	1	- NEW RIVER VALLEY REG JAIL	07/23/2014	\$51,944.12
26093	1	- Paper Clip	07/23/2014	\$949.78
26094	1	- PITNEY BOWES	07/23/2014	\$196.00
26095	1	- PLUMBMASTER, INC	07/23/2014	\$308.78
26096	1	- PROFORMA	07/23/2014	\$139.52
26097	1	- RID-A-BUG EXTERMINATING CO	07/23/2014	\$55.00
26098	1	- SANDS ANDERSON PC	07/23/2014	\$14,097.91
26099	1	- Scholarship Calendars	07/23/2014	\$169.91
26100	1	- SCOTT'S RENT-ALL LLC	07/23/2014	\$120.00
26101	1	- SIGMA CONSULTING & TRAINING	07/23/2014	\$500.00
26102	1	- SOUTHERN SOFTWARE, INC	07/23/2014	\$5,793.00
26103	1	- STATE ELECTRIC SUPPLY CO	07/23/2014	\$201.39
26104	1	- SUNTRUST BANK	07/23/2014	\$241.33
26105	1	- SPRING VALLEY GRAPHICS	07/23/2014	\$224.50
26106	1	- SW VA CLERK-TREASURERS ASSOC	07/23/2014	\$25.00
26107	1	- TWIN CO REGIONAL CHAMBER	07/23/2014	\$7,000.00
26108	1	- UNITED LABORATORIES	07/23/2014	\$463.68
26109	1	- US CELLULAR	07/23/2014	\$1,018.16
26110	1	- US POSTAL SERVICE	07/23/2014	\$224.00
26111	1	- VA DEPT OF HEALTH	07/23/2014	\$1,259.65
26112	1	- VA EMPLOYMENT COMMISSION	07/23/2014	\$1,282.65
26113	1	- VA INFORMATION TECH ASSOC	07/23/2014	\$86.72
26114	1	- THE WIRED ROAD	07/23/2014	\$125.75
26115	1	- XEROX CORPORATION	07/23/2014	\$642.34
26116	1	- AFLAC	07/31/2014	\$1,358.70
26117	1	- AMERICAN HERITAGE LIFE INS CO	07/31/2014	\$155.12
26118	1	- ANTHEM BLUE CROSS/BLUE SHIELD	07/31/2014	\$19,053.82
26119	1	- ANTHEM BLUE CROSS/BLUE SHIELD	07/31/2014	\$14,650.02
26120	1	- ANTHEM BLUE CROSS/BLUE SHIELD	07/31/2014	\$1,484.91
26121	1	- ANTHEM BLUE CROSS/BLUE SHIELD	07/31/2014	\$494.97
26122	1	- ASSURANT EMPLOYEE BENEFITS	07/31/2014	\$3,603.27
26123	1	- BOSTON MUTUAL LIFE INS CO	07/31/2014	\$586.61
26124	1	- GRAYSON CO TREASURER'S OFFICE	07/31/2014	\$1,439.54
26125	1	- ing	07/31/2014	\$400.00
26126	1	- MINNESOTA LIFE	07/31/2014	\$439.04

26127	1	- UNITED WAY VIRGINIA HIGHLANDS	07/31/2014	<b>\$41.70</b>
26128	1	- VALIC	07/31/2014	<b>\$2,100.00</b>
26129	1	- Va Assoc of Counties	07/31/2014	<b>\$24.49</b>
26130	1	- RAINBOW CREATIONS	08/04/2014	<b>\$600.00</b>
26131	1	- 1 POINT COMMUNICATIONS	08/14/2014	<b>\$448.91</b>
26132	1	- 1908 COURTHOUSE FOUNDATION	08/14/2014	<b>\$100.00</b>
26133	1	- ADAMS BUILDING SUPPLY	08/14/2014	<b>\$286.53</b>
26134	1	- APPALACHIAN POWER	08/14/2014	<b>\$6,021.64</b>
26135	1	- ANDERSON & ASSOCIATES, INC	08/14/2014	<b>\$420.00</b>
26136	1	- Aqua Treatment	08/14/2014	<b>\$412.75</b>
26137	1	- BUSINESS INFORMATION SYSTEMS	08/14/2014	<b>\$70.00</b>
26138	1	- BKT UNIFORMS	08/14/2014	<b>\$904.29</b>
26139	1	- BROWN EXTERMINATING CO	08/14/2014	<b>\$115.00</b>
26140	1	- BRUCELLI ADVERTISING CO, INC	08/14/2014	<b>\$397.20</b>
26141	1	- SPORT SUPPLY GROUP, INC	08/14/2014	<b>\$115.78</b>
26142	1	- CARROLL COUNTY TOURISM	08/14/2014	<b>\$1,701.00</b>
26143	1	- CINTAS CORP, #532	08/14/2014	<b>\$197.00</b>
26144	1	- CENTURY LINK	08/14/2014	<b>\$1,809.38</b>
26145	1	- COMCAST CORPORATION	08/14/2014	<b>\$160.39</b>
26146	1	- COX SNAX SALES, LLC	08/14/2014	<b>\$529.90</b>
26147	1	- DALY COMPUTERS, INC	08/14/2014	<b>\$227.25</b>
26148	1	- VA DEPT OF MOTOR VEHICLES	08/14/2014	<b>\$360.00</b>
26149	1	- FLORES & ASSOCIATES, LLC	08/14/2014	<b>\$1,791.80</b>
26150	1	- Food City, Store #866	08/14/2014	<b>\$79.45</b>
26151	1	- GALLS, LLC	08/14/2014	<b>\$149.05</b>
26152	1	- GALAX GAZETTE	08/14/2014	<b>\$162.00</b>
26153	1	- GRAYSON CO HEALTH DEPT	08/14/2014	<b>\$673.37</b>
26154	1	- GRAYSON CO TREASURER'S OFFICE	08/14/2014	<b>\$20.00</b>
26155	1	- GRAYSON EXPRESS	08/14/2014	<b>\$221.00</b>
26156	1	- The Gun Shop	08/14/2014	<b>\$2,618.27</b>
26157	1	- EDWIN G HAWKS	08/14/2014	<b>\$40.00</b>
26158	1	- HAYNES PORTABLE TOILETS & SEPTIC	08/14/2014	<b>\$75.00</b>
26159	1	- INDEPENDENCE VOL FIRE DEPT	08/14/2014	<b>\$575.00</b>
26160	1	- LARRY'S SMALL ENGINE REPAIR	08/14/2014	<b>\$167.00</b>
26161	1	- LEONARD'S COPY SYSTEMS, INC	08/14/2014	<b>\$45.00</b>
26162	1	- Lingo Networks	08/14/2014	<b>\$179.56</b>
26163	1	- LOWE'S HOME CENTERS, INC	08/14/2014	<b>\$1,142.05</b>
26164	1	- MANSFIELD OIL COMPANY	08/14/2014	<b>\$10,786.40</b>
26165	1	- MODERN IMPRESSIONS	08/14/2014	<b>\$56.57</b>
26166	1	- MODERN IMPRESSIONS	08/14/2014	<b>\$230.00</b>
26167	1	- NORTHSTAR FLAG & FLAGPOLE CO	08/14/2014	<b>\$838.96</b>

26168	1	- NWCD, INC	08/14/2014	<b>\$361.07</b>
26169	1	- Paper Clip	08/14/2014	<b>\$1,219.36</b>
26170	1	- PEACE OF MIND COUNSELING	08/14/2014	<b>\$480.00</b>
26171	1	- GLORIA PRICE	08/14/2014	<b>\$188.08</b>
26172	1	- CENTURY LINK	08/14/2014	<b>\$171.97</b>
26173	1	- RESERVE ACCOUNT	08/14/2014	<b>\$1,300.00</b>
26174	1	- SAFLAB	08/14/2014	<b>\$55.50</b>
26175	1	- SHI INTERNATIONAL CORP	08/14/2014	<b>\$1,327.52</b>
26176	1	- DANNY SMITH	08/14/2014	<b>\$100.00</b>
26177	1	- SOUTHER REFRIGERATION CORP	08/14/2014	<b>\$297.17</b>
26178	1	- SUNTRUST BANK	08/14/2014	<b>\$8,486.36</b>
26179	1	- TWIN CO AIRPORT COMMISSION	08/14/2014	<b>\$30,500.00</b>
26180	1	- TOWN OF TROUTDALE	08/14/2014	<b>\$305.00</b>
26181	1	- US CELLULAR	08/14/2014	<b>\$1,412.28</b>
26182	1	- Va Assoc of Counties	08/14/2014	<b>\$169,554.00</b>
26183	1	- VERIZON WIRELESS	08/14/2014	<b>\$320.08</b>
26184	1	- VA INFORMATION TECH ASSOC	08/14/2014	<b>\$87.22</b>
26185	1	- CODY L WINGATE	08/14/2014	<b>\$437.95</b>
26186	1	- THE WIRED ROAD	08/14/2014	<b>\$213.87</b>
26187	1	- XEROX CORPORATION	08/14/2014	<b>\$478.58</b>
26188	1	- APPALACHIAN POWER	08/14/2014	<b>\$150.00</b>
26189	1	- BANK OF MARION - VISA	08/14/2014	<b>\$880.88</b>
26190	1	- BRISTOL OFFICE SUPPLY, INC	08/14/2014	<b>\$45.38</b>
26191	1	- CENTURY LINK	08/14/2014	<b>\$51.94</b>
26192	1	- MARIAN COMBS	08/14/2014	<b>\$193.14</b>
26193	1	- GRAYSON CO DAY REPORT CENTER	08/14/2014	<b>\$175.00</b>
26194	1	- GRAYSON CO TREASURER'S OFFICE	08/14/2014	<b>\$563.94</b>
26195	1	- HIGHLANDS COMMUNITY SERIVCES BOARD	08/14/2014	<b>\$600.00</b>
26196	1	- INTOXIMETERS, INC	08/14/2014	<b>\$375.00</b>
26197	1	- JIMMY JOE'S APPLIANCE	08/14/2014	<b>\$75.00</b>
26198	1	- JOHN TYLER ASAP	08/14/2014	<b>\$388.00</b>
26199	1	- DAREN LEAKE, TREASURER	08/14/2014	<b>\$250.00</b>
26200	1	- TOWN OF MARION	08/14/2014	<b>\$40.08</b>
26201	1	- RALPH PRICE	08/14/2014	<b>\$1,800.00</b>
26202	1	- J.L. REEDY	08/14/2014	<b>\$213.15</b>
26203	1	- GARY UMBERGER	08/14/2014	<b>\$13.05</b>
26204	1	- COMMISSION ON VASAP	08/14/2014	<b>\$1,029.37</b>
26205	1	- PAM WILLIAMS	08/14/2014	<b>\$69.60</b>
26206	1	- WYTHEVILLE OFFICE SUPPLY	08/14/2014	<b>\$147.99</b>
26207	1	- ADAMS BUILDING SUPPLY	08/14/2014	<b>\$126.81</b>
26208	1	- APPALACHIAN POWER	08/14/2014	<b>\$809.25</b>
26209	1	- B & B TIRE SERVICE, INC	08/14/2014	<b>\$5,130.68</b>

26210	1	- BERT'S GARAGE INC	08/14/2014	\$23.00
26211	1	- CARDINAL REALTY VIRGINIA LLC	08/14/2014	\$179.54
26212	1	- CAVALIER EQUIPMENT CORP	08/14/2014	\$76.59
26213	1	- CINTAS CORP, #532	08/14/2014	\$1,021.28
26214	1	- E&R Construction, Inc.	08/14/2014	\$240.00
26215	1	- FIELDER ELECTRIC MOTOR REPAIR	08/14/2014	\$21.84
26216	1	- FLEETPRIDE	08/14/2014	\$2,656.79
26217	1	- HOMESTEAD MATERIALS HANDLING	08/14/2014	\$363.00
26218	1	- INDEPENDENCE TIRE CO	08/14/2014	\$14.79
26219	1	- JC SUPPLY PRODUCTS	08/14/2014	\$543.75
26220	1	- MORRIS DISTRIBUTING, INC	08/14/2014	\$368.00
26221	1	- PARTS CENTRAL	08/14/2014	\$242.41
26222	1	- PIEDMONT TRUCK CENTER, INC	08/14/2014	\$5,689.35
26223	1	- QUALITY AUTO PARTS	08/14/2014	\$114.39
26224	1	- ROYAL OIL COMPANY	08/14/2014	\$374.16
26225	1	- SNAP-ON - MATTHEW TURMAN	08/14/2014	\$851.00
26226	1	- SOSMETAL PRODUCTS INC	08/14/2014	\$552.78
26227	1	- SUNTRUST BANK	08/14/2014	\$158.76
26228	1	- SUNBELT LABORATORIES LTD	08/14/2014	\$239.40
26229	1	- TRANSCOURSE	08/14/2014	\$203.24
26230	1	- ULINE	08/14/2014	\$188.36
26231	1	- FRIES RECREATION CENTER	08/14/2014	\$1,083.33
26232	1	- USDA RURAL DEVELOPMENT	08/14/2014	\$2,415.00
26233	1	- TWIN COUNTY E-911 REG. COMM.	08/14/2014	\$15,260.48
184		Checks Totaling -		\$745,032.20

### Totals By Fund

	Checks	Voids	Total
02	\$360.00		\$360.00
07	\$285.45		\$285.45
08	\$706,373.73		\$706,373.73
14	\$11,059.18		\$11,059.18
22	\$13,977.92		\$13,977.92
25	\$1,330.17		\$1,330.17
29	\$3,973.25		\$3,973.25

**A/P Check Listing**

Vendor Range - 1 & 1 INTERNET INC' - XEROX CORPORATION  
Date From - 7/11/2014 Date To - 8/14/2014

Grayson County  
08/04/2014 08:17 PM

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Check Number	Bank	Vendor	Date	Amount
		Checks	VOIDS	Total
35		\$303.95		\$303.95
51		\$570.49		\$570.49
52		\$3,793.13		\$3,793.13
53		\$510.98		\$510.98
63		\$500.00		\$500.00
70		\$1,993.95		\$1,993.95
Totals:		\$745,032.20		\$745,032.20

Grayson County Board of Supervisors  
Regular Meeting  
August 14, 2014

Members attending were: John K. Brewer, Brenda Sutherland, David M. Sexton, Glen E. Rosenbaum and Kenneth R. Belton.

IN RE: CONSENT AGENDA

Jonathan D. Sweet requested the Proclamation for Core Health & Fitness, LLC be added to the agenda under new business. Kenneth R. Belton made the motion to approve; duly seconded by Brenda Sutherland. Motion carried 5-0.

IN RE: REPORTS, PRESENTATIONS OR REQUESTS

Zack Olinger, with the Virginia Department of Forestry, presented a check to the Board for \$250.70 for payment in lieu of taxes on behalf of the Department of Forestry.

IN RE: OLD BUSINESS - BOARD OF SUPERVISORS RULES OF PROCEDURE

Glen E. Rosenbaum suggested changing the Board of Supervisors Rules of Procedures to allow 24 hours notice before a meeting if a need arose to add to the agenda items. Discussion regarding this followed with David M. Sexton and Glen E. Rosenbaum along with an explanation from Jonathan D. Sweet. Glen E. Rosenbaum made a motion to allow 24 hours notice; more discussion continued by the entire Board. Motion died due to lack of second. No changes were made.

IN RE: SCHOOL BUS FUND

Chairman John K. Brewer turned the floor over to Glen E. Rosenbaum. Mr. Rosenbaum stated that his issue was with the 2011 Board of Supervisors decision to have a school bus fund. Mr. Rosenbaum made the motion to reverse this 2011 decision having a School Bus Fund that gets funded each budget year, subject to appropriation by the Grayson County Board of Supervisors. Dennis Roop, Transportation Director spoke on behalf of the need of safe buses in the school system. Mrs. Judy Greear, Assistant Superintendent of Grayson County Public Schools, spoke on behalf of the school. David M. Sexton seconded Glen E. Rosenbaum's motion; no action was taken following the discussion because of subsequent motion made by David M. Sexton seconding the motion. David M. Sexton made the motion to leave the Fund in place and removing the bus language to make it an "Assigned Fund for the School System"; duly seconded by Glen E. Rosenbaum. Motion carried 5-0.

IN RE: NEW BUSINESS – BOARD APPOINTMENTS

CPMT – Grayson County Public Schools recommends Mr. Douglas Lawson as a representative for the School System on the CPMT Board. David M. Sexton made the motion; duly seconded by Brenda Sutherland. Motion carried 5-0.

IN RE: LEAD METER REPLACEMENT PROJECT – SERCAP PROJECT GRANT & LOAN

Jonathan D. Sweet explained the grant and the reason for the \$40,000 loan (both listed below) through SERCAP which is to replace obsolete lead-based water meters. Brenda Sutherland made the motion to proceed; duly seconded by David M. Sexton. Motion carried 5-0.

Dear Mr. Sweet:

Southeast Rural Community Assistance Project, Inc. has approved the grant allocation below for your project, subject to ratification at the next scheduled meeting of the Southeast RCAP Board of Directors.

<u>Project Allocation</u>	
Project Name	Lead Meter Replacement Project – Grayson Co.
Project Number	62539
Amount	\$40,000.00
Source of Funding	ST 37
Date of Meeting	July 1, 2014
Type of Project	Water
Comments	Toward water meter replacement
Expiration Date:	Funds to be drawn down by July 2, 2016

This grant is contingent on documentation of low-income eligibility of persons to benefit and on the completion of the above-specified activity of work. **Because our grant funds are limited, these grant funds must be spent within 24 months or they will be deobligated.** We are well aware of delays encountered in developing a facility and will provide whatever assistance we can in moving the project to completion.

**The Board of Directors requests that any materials produced and/or activities undertaken as part of this project must clearly acknowledge funding and/or assistance given by the Southeast Rural Community Assistance Project. To document the impact of this funding and/or assistance, copies of materials produced or notification of activities scheduled should be forwarded to Southeast Rural Community Assistance Project.**

Mr. Larry Wallace, VA State Programs Manager, will be in touch with you shortly on the documentation and materials needed and the next step in project procedure.

Southeast Rural Community Assistance Project looks forward to working with you to achieve this important community facility.

Sincerely,



Hope Cupit  
President and CEO

# Southeast Rural Community Assistance Project, Inc.

RECEIVED

AUG 05 2014

BY GRAYSON COUNTY ADMIN

August 4, 2014

Mr. Mitch Smith  
Deputy County Administrator  
P.O. Box 217  
Independence, Virginia 24348

Dear Mr. Smith,

I am pleased to advise you that Southeast Rural Community Assistance Project, Inc. ("Lender") has approved the request of the County of Grayson, or borrowing entity satisfactory to Lender ("Borrower"), for a loan in an amount not to exceed \$40,000.00 (the "Loan"), subject to the terms and conditions herein. Please execute and return one copy of this document to Carolyn Coles, Community Development Loan Fund Program Manager.

## 1. Basic Terms:

- (a) **Borrower:** The County of Grayson, Virginia or such other borrowing entity satisfactory to Lender.
- (b) **Loan Amount:** \$40,000.00 for a term of ten (10) years (or amortized over ten (10) years with a three (3) year call.
- (c) **Interest Rate:** Interest will be fixed at 4.25%. Interest shall be computed based on the actual number of days the Loan is outstanding as if each year were composed of 360 days.
- (d) **Commitment Fee:** 1% or \$400.00
- (e) **Closing Date:** Closing shall take place no later than August 29, 2014.
- (f) **Maturity Date:** The maturity date shall be 120 months following the closing date with a three (3) year call. .

- 2. **Project/Purpose of Loan:** Replace obsolete lead-based water meters.

3. **Payments:** The Loan shall be amortized on a 120 month basis with a three (3) year call. Beginning the same day of the succeeding month immediately following the Closing Date and on the same day of each succeeding calendar month thereafter, Borrower shall make principal and interest payments in the approximate amount of \$409.75 each until the Maturity Date, at which time all outstanding amounts under the Loan are due in full. Annually, the Town must include a line item for the repayment of SERCAP's loan within its budget. This proposed budget must be provided to SERCAP prior to and after the Council's approval. If any principal or accrued interest is outstanding at the time the County borrows long-term financing for the dam improvement project, the outstanding amounts of the SERCAP ("Lender") financing would need to be repaid.
4. **Guarantors:** N/A
5. **Project/Collateral:** SERCAP's Council must be satisfied that the County can legally obligate itself to a term of ten (10) years of this loan. Loan would be made for a term of ten (10) years (or, amortized over ten years) with a three (3) year call. Loan documents would include language regarding moral obligation of the County to repay; and would direct County Administrator or Chair of the BOS to budget the repayments.
6. **Quality of Documents and Items:** Each document and item required to be submitted to Lender pursuant to this Commitment shall be satisfactory in form and substance to Lender and its legal counsel, in their sole discretion
8. **Conditions of Loan:** As conditions precedent to the Loan, all conditions and requirements in this Commitment must be satisfied to Lender's satisfaction, as determined by Lender in its sole discretion and Borrower must have provided or caused to be provided to Lender, and Lender must have received, reviewed and found satisfactory, the following:
  7. (a) **Loan Documents:** Note with confession of judgment provisions, loan agreement, deed of trust, if applicable, security agreement, financing statements, collateral assignments, landlord waivers, consents and other documents as Lender may require (collectively, the "Loan Documents"), duly executed, acknowledged and/or sworn to and delivered, upon the terms of this Commitment and containing such representations and warranties and affirmative and negative covenants, together with other additional terms and conditions, as Lender may require. If any portion of the Loan is to be disbursed after the Closing Date, such as for the construction of improvements to real estate, such disbursements shall be subject to conditions satisfactory to Lender. Loan documents would include language regarding moral obligation of Town to repay; and would direct the Town Manager or Council to budget the repayments.
  6. (b) **Authority and Capacity:** Evidence of the existence, good standing, authority and capacity of Borrower and their respective constituents and representatives as Lender may require. Borrowers shall be subject to review and approval by Lender. SERCAP's Council must be satisfied that the Town can legally obligate itself to a term of ten (10) years for this loan. Loan would be made for a term of ten (10) years (or amortized over ten years) with a three (3) year

call.

If any principal or accrued interest is outstanding at the time the Town borrows long-term financing for the dam improvement project, the outstanding amounts of the SERCAP financing would need to be repaid.

- (c) **Appraisal:** N/A.
- (d) **Financial Statements:** Financial statements from Borrower, in form and content satisfactory to Lender evidencing a financial condition of such parties that is satisfactory to Lender and subsequent financial statements from such parties as required by Lender. Borrower's annual statements shall be prepared by a CPA firm satisfactory to Lender, while the quarterly statements must be certified by management as being true, correct and complete. Further, Lender will receive any audited financial statements that are required by any other lender.
- (e) **Attorney's Opinion:** The written opinion(s) of counsel for Borrower and each Guarantor addressed to Lender confirming the legal status and authority of Borrower, the due authorization, execution and delivery, and the validity, binding effect and enforceability of the Loan Documents, the creation, validity, and perfection of the liens and security interests created by the Loan Documents and such other matters as Lender requests. Such counsel and opinion(s) must be satisfactory to Lender.
- (f) **Project Condition and Compliance:** Evidence that the Project and Borrower's business operations comply with all applicable laws. If proceeds will be used to fund the cost of improving real estate, Borrower shall furnish evidence that it has obtained all necessary approvals and permits for such construction.
- (g) **Additional Conditions:** The Loan Documents shall contain standard negative covenants, including prohibition against (i) payment of dividends or distributions of any kind to equity holders or management; (ii) repayment of loans made to the Borrower by equity holders or management; (iii) repayment of any subordinated debt; and (iv) payment of cash bonuses to management. The Loan shall be evidenced by the issuance of either a General Obligation Bond or a Revenue Bond or otherwise secured by collateral that is approved by Southeast Rural Community Assistance Project, Inc. in its sole discretion.
- (h) **Date for Submissions:** All submissions must be made and all conditions must be satisfied by Borrower at least seven (7) business days prior to Loan closing (unless an earlier date is specified).
- (i) **Miscellaneous:** Such other evidence, documents, certificates and items requested by Lender that are customarily provided in loan transactions of this type or necessary in connection with any other requirement of this Commitment.
- (j) **Representations and Warranties:** Borrower are in compliance in all respects with all federal, state and local laws, rules and regulations applicable to its properties, operations,

business, and finances, including, without limitation, any federal or state laws relating to liquor (including 18 U.S.C. § 3617, et seq.) or narcotics (including 21 U.S.C. § 801, et seq.) and/or any commercial crimes; the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if applicable (including the minimum funding standards of ERISA and all applicable regulations thereto and requirements thereof); and the Internal Revenue Code of 1986, as amended.

Borrower is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT Act of 2001).

None of Borrower is a Sanctioned Person or has any of its assets in a Sanctioned Country or does business in or with, or derives any of its operating income from investments in or transactions with, Sanctioned Persons or Sanctioned Countries in violation of economic sanctions administered by OFAC. The proceeds of the Loan will not be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Country. "OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control. "Sanctioned Country" means a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/enforcement/ofac/sanctions/>, or as otherwise published from time to time. "Sanctioned Person" means (i) a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at <http://www.treas.gov/offices/enforcement/ofac/sdn/>, or as otherwise published from time to time, or (ii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country, or (C) a person resident in a Sanctioned Country.

The proceeds of the Loan shall be used for purposes outlined in Section 1(b) and for no other purpose. Each of the items of expense for which Borrower has requested or will request disbursement of the proceeds of the Loan is an eligible "Cost", as defined in the Act.

## 9. General Conditions

- 9.1 **Termination of Commitment:** Lender may terminate this Commitment if there shall have occurred, in the opinion of Lender, from the date of Borrower's application for the Loan (a) any change in the ownership or capital structure of Borrower, (b) any material adverse change with respect to the Property or other security for the Loan or other source of repayment of the Loan, (c) any material adverse change in the business or financial condition of Borrower, or in any other state of facts submitted to Lender in connection with the Loan, (d) any damage to the Property by fire, casualty or other cause or any part of the Property is taken in condemnation or other like proceeding, or any such proceeding is pending at the time of Closing, or (e) any pending or threatened litigation by Borrower.

- 9.2 Participation or Sale of Loan:** Lender may sell the Loan or undivided ownership or participation interests in the Loan and disclose such financial and other information regarding Borrower, the Guarantors, and/or the Property which Lender may deem necessary in connection therewith. Borrower shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection with the foregoing.
- 9.3 Applicable Law:** THIS COMMITMENT AND THE LOAN DOCUMENTS SHALL BE GOVERNED ENTIRELY BY VIRGINIA LAW AND APPLICABLE UNITED STATES FEDERAL LAW.
- 9.4 Entire Agreement:** The terms set forth above represent the entire understanding between Borrower and Lender with respect to the subject matter of this Commitment, and this Commitment supersedes any prior and contemporaneous agreements, commitments, discussions and understandings, oral or written, with respect to the subject matter hereof.
- 9.5 Controlling Agreement:** This Commitment is hereby limited so that in no event shall the interest taken, reserved, contracted for, charged or received exceed the maximum nonusurious amount permitted by applicable law; and any provision possibly to the contrary shall be automatically reformed and the interest payable automatically reduced to such maximum amount, without necessity of execution of any amendment or new document.
- 9.6 Assignability:** This Commitment cannot be assigned by Borrower without Lender's prior written approval, nor shall any third party rely hereon or be deemed a party benefited hereby.
- 9.7 Costs:** Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with the Loan (pre- and post-closing), including, but not limited to, all insurance, appraisal, survey, recording, environmental, engineering, closing, escrow and title, title insurance fees and costs, and all fees and expenses of Lender's outside legal counsel and the cost of any other reports or tests deemed necessary by Lender to satisfy

the requirements of Section 10(k). Such costs and expenses incurred at or prior to Loan closing shall be due and payable prior to the closing of the Loan. The provisions of this paragraph shall survive the expiration or termination of this Commitment.

- 9.8 UCC Financing Statements:** Pursuant to Section 9-509(a) of the Uniform Commercial Code ("UCC"), Borrower authorizes Lender to prepare and file without the Borrower's signature an initial financing statement under Article 9 of the UCC which (a) names Borrower as debtor therein, (b) names Lender as secured party and (c) describes the collateral as set forth on Exhibit A Attached hereto.

If, for any reason, the credit transaction currently under discussion between us fails to close on or before August 29, 2014, Lender agrees to terminate such initial financing statement (unless Borrower otherwise agrees to extend such date in writing.)

10. **Acceptance; Termination:** This Commitment shall terminate automatically without notice at 5:00 p.m. Roanoke, Virginia local time within two (2) week of receipt of signed document(s) unless before that time Borrower and each Guarantor have accepted it by delivering to Lender two copies duly executed by them. If all the conditions of this Commitment have not been satisfied or if Lender and Borrower are unable to agree on and reduce to writing all of the Loan Documents in a manner satisfactory to both of them by the Closing Date, time being of the essence, or if there has been any misrepresentation or any material error in anything submitted to Lender regarding the Loan or pursuant to any other provision hereof, the Lender shall have the option to terminate this Commitment. Upon any such termination, all obligations hereunder shall terminate except as specified in Section 9.5.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

Very truly yours,

Southeast Rural Community Assistance Project, Inc.

\_\_\_\_\_  
Hope F. Cupit, President & CEO

\_\_\_\_\_  
Beth T. Pushá, Director  
Loan Fund & Economic Development

The undersigned accept and agree to all of the terms and conditions of the foregoing Commitment.

**Grayson County, Virginia**

By: \_\_\_\_\_

Title

Date: \_\_\_\_\_ 2014

**BORROWER'S CLOSING ATTORNEY:**

Name: \_\_\_\_\_

Law Firm: \_\_\_\_\_

Phone: \_\_\_\_\_ FAX: \_\_\_\_\_

E-Mail: \_\_\_\_\_

EXHIBIT A  
Property/Collateral

**DESCRIBE THE COLLATERAL IN LEGAL TERMS IF KNOWN**

IN RE: PROCLAMATION – CORE HEALTH AND FITNESS

Jonathan D. Sweet read the proclamation listed below. Kenneth R. Belton made the motion to approve; duly seconded by Brenda Sutherland. Motion carried 5-0.

**Proclamation of the  
Grayson County Board of Supervisors  
in Recognition and Appreciation of**

**Core Health & Fitness, LLC**



**WHEREAS**, the Grayson County Board of Supervisors recognizes the tremendous value and benefit Core Health & Fitness, LLC, will bring to Grayson County and the Nautilus name; and,

**WHEREAS**, it is with extreme gratitude that the Grayson County Board of Supervisors acknowledges the hard work and efforts put forth to make this opportunity a reality for the good of our community; and,

**WHEREAS**, the Board feels strongly that your investment in Grayson County and the Nautilus name will be a mutually-rewarding experience for both your company and our citizens;

**NOW, THEREFORE, BE IT PROCLAIMED**, that the Grayson County Board of Supervisors would like to extend our sincere and utmost appreciation to Core Health & Fitness, LLC, and wish your business great success.

**NOW, THEREFORE, BE IT FURTHER PROCLAIMED**, that the Grayson County Board of Supervisors officially welcomes Core Health & Fitness, LLC, to Grayson County and enthusiastically receives you as the newest member of our business community.

*Presented this, the 18<sup>th</sup> day of August, 2014, in the County of Grayson, Virginia.*

IN RE: COUNTY ADMINISTRATOR'S REPORT

None

IN RE: DEPARTMENT HEAD REPORTS

As presented.

IN RE: PUBLIC HEARING(S)

None

IN RE: REGISTERED SPEAKERS AND PUBLIC COMMENT

Gail Hayes spoke regarding concerns on State Route 805.

Wayne Spalding spoke regarding concerns on the fence out law.

Michelle Pridgen spoke stating she appreciated the "take a break from the interstate" yard sale that the county participated in.

IN RE: CLOSED SESSION

None

IN RE: ADJOURN

Glen E. Rosenbaum made the motion to adjourn; duly seconded by David M. Sexton.  
Motion carried 5-0.