Grayson County Board of Supervisors
Continued Meeting and Joint Public Hearing
With the Grayson County Planning Commission
December 13th, 2011

Members of the Board of Supervisors attending were: Larry K. Bartlett, Doug Carrico, Mike Maynard, Brenda Sutherland, and Joe Vaughan.

IN RE: CALL TO ORDER

Larry K. Bartlett, Chairman, called the meeting of the Grayson County Board of Supervisors to order.

Donald G. Young, Chairman, called the meeting of the Grayson County Planning Commission to order. Meeting minutes for the Planning Commission were taken by Clerk, Elaine Holeton and may be viewed on the Planning Commission web page and in the Planning Commission Book.

IN RE: CONSENT AGENDA

Joe Vaughan made the motion to approve the Board of Supervisors consent agenda; duly seconded by Doug Carrico. Motion carried 5-0.

IN RE: JOINT PUBLIC HEARING – SPECIAL USE PERMIT-AMETHYST ACRES, LLC (REFERENCED AS THE 'ORACLE INSTITUE')

Larry K. Bartlett, Chairman, opened the Public Hearing for the Board of Supervisors.

Laura George, representing Amethyst Acres, LLC and 'Oracle Institute', submitted opening remarks and referenced the following; pride in living in America, fear based culture, post 911 concerns about liberty and freedom, founding fathers, Virginia as birthplace of freedom, Thomas Jefferson and religious freedom beliefs, Declaration of Independence and, 1st Amendment and Virginia Code 57 - 1, Mission Statement of the Peace Pentagon, Belief that the Board of Supervisors violated mission statement of the Oracle Institute and subsequent efforts for religious freedom rights over the last 18 months. Ms. George thanked the Board of Supervisors for rehearing the application for a Special Use Permit as part of the legal settlement agreement with Grayson County.

Ms. Laura George stated that the application presented along with the site plans are nearly identical to the original application submitted in 2010. With proffers volunteered

to address concerns about the site, as listed; widen the road from Battlefield Drive to meet the standards of the Fire Safety Code, buffer of trees as 25', restrict the occupancy to 50 persons per class, 25 persons for longer retreats and 100 persons at special events, restrict outdoor evening lighting, right to build original 10 cabins or 2 lodges as not to exceed 20 persons.

Larry K. Bartlett, Chairman clarified that there is fifteen (15) proffers and a new site plan that was submitted and volunteered by Ms. George, identified as Exhibit A, and submitted with the application for Special Use Permit. Ms. George read the entire document as shown below;

AMETHYST ACRES, LLC & ORACLE INSTITUTE PROFFERS

Rural Farm District, Special Use Permit
Address: 1990 Battlefield Drive

Tax Map No: 71-A-48C
Acreage: 11.031

1. Construction shall be limited to: (a) one (1) central multipurpose retreat center; (b) ten (10) campsites; and (c) two (2) bath houses. The ten (10) campsites may be converted at a later date to either ten (10) cabins or two (2) multi-bedroom lodging units of equivalent capacity.

2. The retreat center shall not be larger than 8,000 square feet. The tents or cabins shall not be larger than 20' X 25' each. The bath houses shall not be larger than 20'x 30' each. In the event two (2) lodging units are built instead of (10) cabins, the lodges shall not exceed the aggregate square footage of the proposed cabins or 2,500 square feet each and the occupancy of both units shall not exceed 20 persons.

3. All improvements will be located and constructed in accordance with the Site Plan(s) submitted and approved by the County as part of these conditions, which Site Plan(s) is attached hereto and expressly becomes part of the Special Use Permit.

4. No building shall be constructed closer than twenty-five feet (25') from any property boundary.

5. There shall be a natural, wooded area remaining undisturbed of twenty-five feet (25') in depth along any property boundary. Along property boundaries not now wooded, trees shall be planted and maintained to establish such boundary protection.

6. The road accessing the property and all internal roads shall be constructed and maintained in conformity with the Virginia Statewide Fire Protection Code, including Appendix D, Fire Apparatus Roads, and shall be constructed and maintained at a minimum width of twenty feet (20') and shall be hard surfaced. The roads shall be maintained by the property owner and inspected by the County at least semi-annually to ensure fire, police and emergency equipment can utilize the roads and access all structures located on the property. Any deficiencies identified by the County in the design, construction or maintenance of any road shall be corrected within sixty (60) days by the owner and at the owner's expense. Failure to construct, complete and maintain such roads in conformity with these conditions shall entitle the County to revoke this Special Use Permit.

7. The average number of staff working at the retreat center shall not exceed five (5) persons per day. Regularly scheduled community classes shall not exceed fifty (50) persons per class. Retreats shall not occur more than ten (10) times per year with occupancy not to exceed twenty-five (25) persons per event. Special events may occur up to five (5) days per year with maximum occupancy of one hundred (100) persons.

8. All parking shall occur on the property. No parking shall be offsite. No parking shall occur on the roadways. Parking shall be in the parking lot as shown on the Site Plan(s) with overflow parking for special events located in the area designated on the Site Plan(s).

9. No amplified noise or live bands using amplification shall be permitted outdoors on the property on the days of Monday through Thursday, and no noise shall exceed sixty (60) decibels as measured at the nearest adjacent neighbor's property line.

10. Outdoor lighting shall be indirect and shaded to prevent glare going off the property.

11. All health department requirements for water and sewer shall be met.

12. All VDOT requirements for a commercial access permit for the connection of the road serving the project to VSR 711 shall be met.

13. All provisions of the Virginia Statewide Building Code and the Virginia Statewide Fire Prevention Code shall be met in the construction, operation and maintenance of the project, including all structures and roads.

14. Construction of the project shall commence within nine (9) months of approval of the Special Use Permit or within six (6) months of issuance of the Building Permit (whichever last occurs). Construction shall be completed on all roads and a

certificate of occupancy granted on the retreat center within twenty-four (24) months of issuance of the Building Permit. In the event the retreat center is not commenced or completed within the time requirements as herein required the Special Use Permit shall lapse and terminate.

15. These proffers shall be binding on the property and all current and future property owners. A copy of these proffers shall be recorded among the land records of the Circuit Clerk's Office in Grayson County, Virginia and indexed in the name of the property owner as Grantor and Grayson County as Grantee.

The proffers listed above were signed by Laura M. George, Managing Member of the Amethyst Acres, LLC and signed by Laura M. George as Executive Director and President of 'The Oracle Institute' a 501(c)(3) educational charity and Virginia non-profit corporation dated 11/01/2011. The Order that was filed with the Circuit Court of Grayson County is as follows:

VIRGINIA:

IN THE CIRCUIT COURT OF GRAYSON COUNTY

THE ORACLE INSTITUTE, et al., Plaintiffs, v. BOARD OF SUPERVISORS OF GRAYSON COUNTY, et al., Defendants.	Case No. CL10000101-00

ORDER

On November 10, 2011, came the parties, by counsel, for a pretrial conference pursuant to Rule 1:19 of the Rules of the Supreme Court of Virginia.

In accordance with Rule 1:19, the Court inquired about prospects of settlement of the case. It appearing from that discussion that the Board of Supervisors of Grayson County is willing to issue the special use permit in issue under certain conditions or proffers made by the Plaintiffs, attached hereto and incorporated herein as Exhibit A;

It is hereby ORDERED that the Board of Supervisors of Grayson County reconsider Plaintiffs' special use permit application in light of the agreed-upon conditions or proffers contained in Exhibit A, and that the results, evidence, deliberations, or testimony at any such proceedings on reconsideration or the fact of reconsideration shall not be admissible evidence in this case.

The Clerk shall send a certified copy of this Order to counsel of record.

ENTER this 8 day of December, 2011.

Judge

WE ASK FOR THIS:

Jim H. Guynn, Jr. (VSB No. 22299)
Guynn, Memmer & Dillon, P.C.
415 S. College Avenue
Salem, VA 24153
Counsel for Defendants

A TRUE COPY, TESTE
SUSAN M. HERRINGTON, CLERK
Circuit Court of Grayson County, VA
By: Sharon A. Hale D.C.

SEEN AND AGREED:

John Barry Donohue, Jr., Esq. (VSB No. 21121)
The Law Office of John Barry Donohue, Jr.
Reynolds Office Building, Suite 100
6641 West Broad Street
Richmond, VA 23230
Counsel for Plaintiffs

Douglas R. McKusick (VSB No. 72201)
The Rutherford Institute
1440 Sachem Place
Charlottesville, VA 22901
Counsel for Plaintiffs

Larry K. Bartlett recommended closing the public hearing since no one signed up to speak. Doug Carrico made motion to close public hearing; duly seconded by Joe Vaughan. Motion carried 5-0.

Larry K. Bartlett presented the recommendation from the Planning Commission to approve the Special Use Permit and read the motion again. There was no discussion. Motion was made by Doug Carrico to approve the Special Use Permit; duly seconded by Joe Vaughan. Roll call vote as follows: Mike Maynard-aye, Joe Vaughan-aye, Brenda Sutherland-aye, Doug Carrico-aye, and Larry K. Bartlett-aye. Motion carried 5-0.

RE: NEW BUSINESS-GRAYSON COUNTY PUBLIC SCHOOL CONSTRUCTION AND RENOVATION NOTES – REFINANCING

Jonathan D. Sweet presented the refinancing recommendation and associated savings with the Resolution of the 2011 Bond and the Resolution of the 2012 Bond. Brenda Sutherland made the motion to approve; duly seconded by Doug Carrico. Roll call vote as follows: Mike Maynard – aye, Joe Vaughan – aye, Brenda Sutherland – aye, Doug Carrico – aye, and Larry K. Bartlett – aye. Motion carried 5-0.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF GRAYSON, VIRGINIA AS TO 2011 BOND

WHEREAS, the Board of Supervisors **(the "Board of Supervisors")** of the County of Grayson, Virginia **(the "County")** has determined to modify its outstanding obligations with SunTrust Bank **(the "Bank")** pursuant to the $18,300,000 Public Facilities Lease Revenue Bond Anticipation Note, Series 2010, issued June 28, 2010 **(the "Existing Note")** the Industrial Development Authority of the County of Grayson **(the "Authority")**;

WHEREAS, the Existing Note refinanced the Authority's (i) outstanding $10,000,000 Lease Revenue Note (School Project), Series 2007 issued October 25, 2007 **(the "2007 Note")** and (ii) its outstanding $6,300,000 Lease Revenue Note (School Project), Series 2008, issued May 29, 2008 **(the "2008 Note" together with the 2007 Note, the "Refunded Notes")** and financed certain costs relating to the completion of the school projects referenced therein **(the "Project")** to accomplish certain purposes of the Virginia Industrial Development and Revenue Bond Act **(the "Act")**, and the County providing its moral obligation in support of the payment of the Existing Note;

WHEREAS, in relation to the issuance of the Existing Note, the School Board leased certain School property **(the "Leased Property")** to the Authority pursuant to a Ground Lease, dated as of June 1, 2010 **(the "Ground Lease")** and, in turn, the Authority leased the Leased Property to the County pursuant to a Lease Agreement, dated as of June 1, 2010 **(the "Lease Agreement")** wherein the County agreed to pay rental payments thereunder equal to the debt service on the Existing Note;

WHEREAS, both the Ground Lease and the Lease Agreement were assigned by the Authority to the Bank as security for the Existing Note pursuant to an Assignment Agreement, dated as of June 1, 2010 **(the "Assignment")**;

WHEREAS, the Bank has presented a proposal **(the "2011 Bond Bank Proposal")** to refinance a portion of the Existing Note through the issuance by the Authority of $10,000,000 Public Facilities Lease Revenue Bond, Series 2011 **(the "2011 Bond")** at reduction in the interest rate on the Existing Note to an interest rate of 2.50% per annum, payable with interest only for two years then amortized over a 22 year period under certain terms and conditions, including but not limited to the Bank's options to require the 2011 Bond to be repaid by the Authority at certain dates all as set forth in such 2011 Bond Bank Proposal;

WHEREAS, the issuance of the 2011 Bond would require certain modifications to the existing Ground Lease, Lease Agreement and Assignment **(the "Existing Lease Documents")** to conform to the 2011 Bond Bank Proposal;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Grayson, Virginia:

1. All costs and expenses in connection with the undertaking of the issuance of the 2011 Bond and the modification to the Lease Documents, including the Authority's expenses, the fees and expenses of the County, and the fees and expenses of Bond Counsel, the County Attorney and fees and expenses of the Bank, and other fees and expenses related thereto, shall be paid from the proceeds therefrom, if any or other funds of the County. If for any reason the 2011 Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.

2. The following plan for refinancing a portion of the Existing Note and, in turn, the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the 2011 Bond to provide for the refinancing of a portion of the Existing Note and to modify the Lease Documents by leasing pursuant to such modification agreement or agreements the Leased Property from the School Board for a lease term of not to exceed approximately twenty-seven years and to lease the Leased Property to the County for a lease term not less than the term of the 2011 Bond at a rent sufficient to pay when due the interest and principal on the 2011 Bond. The obligation of the Authority to pay principal and interest on the 2011 Bond will be limited to rent payments received from the County under the modification agreement or agreements which modify the Lease Agreement. The 2011 Bond will be secured by a modification agreement or agreements to the Assignment for the Bank as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Bank may terminate the Lease Agreement as modified or otherwise exclude the County from possession of the Leased Property. The modification agreement or agreements referenced herein (the

"Modification Documents") will provide for the ability to refinance the remaining portion of the Existing Note by the subsequent purchase by the Bank in 2012 of a revenue bond to be issued by the Authority on parity in lien and dignity with the 2011 Bond. The obligation of the County to pay rent thereunder will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the 2011 Bond. The issuance of the 2011 Bond on the terms set forth in the 2011 Bond Bank Proposal as evidenced by a note purchase agreement with the Bank is hereby approved.

3. The Board of Supervisors hereby approves the Modification Documents and the form of the 2011 Bond in the principal amount of up to $10,000,000, with a maturity of approximately 22 years, payable as to interest at an interest rate of 2.50%, on an accrual basis of 30 day months and 360 day years, with interest only for the first two years, then amortized over the next 20 years, with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same. The County Administrator is hereby authorized to determine the final terms of the 2011 Bond, whose determination shall be conclusive, as evidenced by his execution of such 2011 Bond.

4. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator, Clerk of the Board of Supervisors and Deputy Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Modification Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Bank, to issue the 2011 Bond and to lease the Leased Property.

5. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2011 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended **(the "Code")** or otherwise cause the interest on the 2011 Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the 2011 Bond.

6. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

7. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing, the issuance and sale of the 2011 Bond, are hereby approved and ratified.

8. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority, the issuance of the 2011 Bond, the Modification Documents or the lease of the Leased Property.

9. Nothing in this Resolution, the 2011 Bond or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the 2011 Bond or the Modification Documents except from payments made by or on behalf of the County under the Lease Agreement as modified pursuant to annual appropriation thereof in accordance with applicable law.

10. Since the Existing Note was issued as a "qualified tax-exempt obligation", the County hereby treats the 2011 Bond as deemed designated under the refunding exception of Section 265(b)(3) of the Code, and allocates to the Authority in relation to the issuance of the 2011 Bond, up to $10,000,000 of its allocation of "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code. The County has not issued, and does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than $10,000,000 in qualified tax exempt obligations during calendar year 2011 on behalf of the County and the County (and any of its subordinate entities) will not designate more than $10,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year on behalf of the County.

11. The Board of Supervisors hereby consents to Sands Anderson PC, serving as Bond Counsel, and as Authority Counsel and as County Attorney and recommends such firm be appointed by the Authority as such.

12. This resolution shall take effect immediately.

Adopted this 13th day of December, 2011.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF GRAYSON, VIRGINIA AS TO 2012 BOND

WHEREAS, the Board of Supervisors **(the "Board of Supervisors")** of the County of Grayson, Virginia **(the "County")** has determined to modify its outstanding obligations with SunTrust Bank **(the "Bank")** pursuant to the $18,300,000 Public Facilities Lease Revenue Bond Anticipation Note, Series 2010, issued June 28, 2010 **(the "Existing Note")** by the Industrial Development Authority of the County of Grayson **(the "Authority")**;

WHEREAS, the Existing Note refinanced the Authority's (i) outstanding $10,000,000 Lease Revenue Note (School Project), Series 2007, issued October 25, 2007 **(the "2007 Note")** and (ii) its outstanding $6,300,000 Lease Revenue Note (School Project), Series 2008, issued May 29, 2008 **(the "2008 Note" together with the 2007 Note, the "Refunded Notes")** and financed certain costs relating to the completion of the school projects referenced therein including the Fries and Grant facilities **(together, the "Project")** to accomplish certain purposes of the Virginia Industrial Development and Revenue Bond Act **(the "Act")**, and the County providing its moral obligation in support of the payment of the Existing Note;

WHEREAS, in relation to the issuance of the Existing Note, the Grayson County School Board **(the "School Board")** leased certain School property **(the "Leased Property")** to the Authority pursuant to a Ground Lease, dated as of June 1, 2010 **(the "Ground Lease")** and, in turn, the Authority leased the Leased Property to the County pursuant to a Lease Agreement, dated as of June 1, 2010 **(the "Lease Agreement")** wherein the County agreed to pay rental payments thereunder equal to the debt service on the Existing Note;

WHEREAS, both the Ground Lease and the Lease Agreement were assigned by the Authority to the Bank as security for the Existing Note pursuant to an Assignment Agreement, dated as of June 1, 2010 **(the "Assignment")**;

WHEREAS, the Bank has presented a proposal **(the "2012 Bond Bank Proposal")** to refinance a portion of the Existing Note through the issuance by the Authority of up to $8,300,000 Public Facilities Lease Revenue Bond, Series 2012 **(the "2012 Bond")** at reduction in the interest rate on the Existing Note to an interest rate of 2.55% per annum, payable with interest only for two years then amortized over a 20 year period under certain terms and conditions, including but not limited to the Bank's options to require the 2012 Bond to be repaid by the Authority at certain dates all as set forth in such 2012 Bond Bank Proposal;

WHEREAS, the issuance of the 2012 Bond would require certain modifications to the existing Ground Lease, Lease Agreement and Assignment **(the "Existing Lease Documents")** to conform to the 2012 Bond Bank Proposal;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Grayson, Virginia:

1. All costs and expenses in connection with the undertaking of the issuance of the 2012 Bond and the modification to the Lease Documents, including the Authority's expenses, the fees and expenses of the County and the School Board, and the fees and expenses of Bond Counsel, the County Attorney and the Bank, and other fees and expenses related thereto, shall be paid from the proceeds therefrom, if any or other funds of the County. If for any reason the 2012 Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority and the School Board shall have no responsibility therefor.

2. The following plan for refinancing a portion of the Existing Note and, in turn, the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the 2012 Bond to provide for the refinancing of a portion of the Existing Note remaining at that date and to modify the Lease Documents by leasing the Leased Property from the School Board for a lease term of not to exceed approximately twenty-seven years (five years following the 22 year term of the 2012 Bond) and to lease the Leased Property to the County for a lease term not less than the term of the 2012 Bond at a rent sufficient to pay when due the interest and principal on the 2012 Bond when due. The obligation of the Authority to pay principal and interest on the 2012 Bond will be limited to rent payments received from the County. The 2012 Bond will be secured by a modification to the Assignment for the Bank as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Bank may terminate the Lease Agreement as modified or otherwise exclude the County from possession of the Leased Property. The modification agreement or agreements referenced herein (the **"Modification Documents")** also provide for the ability to refinance a portion of the Existing Note by the by the Bank in 2011 of a revenue bond to be issued by the Authority on parity in lien and dignity with the 2012 Bond. The obligation of the County to pay rent thereunder will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the 2012 Bond. The issuance of the 2012 Bond on the terms set forth in the 2012 Bond Bank Proposal to be evidenced by a note purchase agreement with the Bank is hereby approved.

3. The Board of Supervisors hereby approves the Modification Documents and the form of the 2012 Bond in the principal amount of up to $8,300,000, with a maturity of approximately 22 years, payable as to interest at an interest rate of 2.55%, on an accrual basis of 30 day months and 360 day years, with interest only for the first two years, then amortized over the next 20 years, with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his approval of the same. The County Administrator is hereby authorized to determine the final terms of the 2012 Bond, whose determination shall be conclusive, as evidenced by his execution of such 2012 Bond.

4. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator, Clerk of the Board of Supervisors and Deputy Clerk of the Board of Supervisors each of whom holds such office at the time of the issuance of the 2012 Bond and either of such officers may execute such Modification Documents as are necessary or appropriate and are each hereby authorized and directed to execute the Modification Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Bank, to issue the 2012 Bond and to lease the Leased Property.

5. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2012 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended **(the "Code")** or otherwise cause the interest on the 2012 Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the 2012 Bond.

6. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

7. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of refinancing, the issuance and sale of the 2012 Bond, are hereby approved and ratified.

8. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority and the School Board and their respective officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the issuance of the 2012 Bond, the Modification Documents or the lease of the Leased Property.

9. Nothing in this Resolution, the 2012 Bond or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority, the School Board or the County, and the Authority shall not be obligated to make any payments under the 2012 Bond or the Modification Documents except from payments made by or on behalf of the County under the Lease Agreement as modified pursuant to annual appropriation thereof in accordance with applicable law.

10. Since the Existing Note was issued as a "qualified tax-exempt obligation", the County hereby treats the 2012 Bond as deemed designated under the refunding exception of Section 265(b)(3)(D)(ii) of the Code, and, to the extent necessary, the County allocates to the Authority in relation to the issuance of the 2012 Bond, up to $10,000,000 of its allocation of "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code.

11. The Board of Supervisors hereby consents to Sands Anderson PC, serving as Bond Counsel, and as Authority Counsel and as County Attorney and recommends such firm be appointed by the Authority as such.

12. This resolution shall take effect immediately.

Adopted this 13th day of December, 2011.

RE: COUNTY ADMINISTRATOR'S REPORT

None

RE: INFORMATIONAL ITEMS

None

RE: CLOSED SESSION

None

IN RE: ADJOURN

Joe Vaughan made the motion to adjourn; duly seconded by Doug Carrico.